

**METRO
CHARTER
COMMITTEE**

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AGENDA

DATE: April 30, 1992
MEETING: Full Committee
DAY: Thursday
TIME: 6:00 p.m.
PLACE: Room 440, Metro, 2000 SW First Avenue, Portland

6:00 Meeting called to order.

Correction and adoption of minutes from April 9.

6:10 Adoption of Charter drafting instructions relating to structure of the regional government.

10:00 Meeting adjourned.

MINUTES OF THE CHARTER COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

April 30, 1992

Metro Center, Room 440

Committee Members Present: Hardy Myers (Chair), Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers

Committee Members Absent: Bob Shoemaker

Chair Myers called the regular meeting to order at 6:15 p.m.

1. Correction and adoption of minutes.

Chair Myers asked for corrections to the April 9, 1992 minutes.

Motion: Ray Phelps moved, Wes Myllenbeck seconded, to approve the minutes as distributed.

Vote on the Main Motion: All present voted aye. The vote was unanimous and the minutes were approved.

2. Charter drafting decisions regarding structure

Chair Myers said that when the Committee adjourned the last meeting, there was consensus that they would begin this meeting by resolving the Committee position on option two--Larry Derr's proposal delegating a regionally elected executive officer with the service responsibilities and the council with the growth management planning responsibilities. He asked if there were additional comments regarding option two.

Motion: Larry Derr moved, Frank Josselson seconded, to accept the overall approach of option two as the structure for the regional government.

Vote on the motion: Larry Derr, Frank Josselson, and Mimi Urbigkeit voted aye. Judy Carnahan, Ron Cease, Charlie Hales, Matt Hennessee, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Norm Wyers, and Chair Myers voted nay. Jon Egge and Bob Shoemaker were absent. The vote was 3 ayes to 11 nays and the motion failed.

Motion: Ray Phelps moved, Matt Hennessee seconded, to accept the overall approach of option one, which outlines the current structure as the basic structure for the regional government.

Vote on the motion: Judy Carnahan, Ron Cease, Matt Hennessee, Ned Look, Wes Myllenbeck, Ray Phelps, Norm Wyers, and Chair Myers voted aye.

Larry Derr, Charlie Hales, Frank Josselson, John Meek, Mary Tobias, and Mimi Urbigkei voted nay. Jon Egge and Bob Shoemaker were absent. The vote was 8 ayes and 6 nays and the motion failed.

Chair Myers asked if there are any other alternatives for Committee consideration. He said that the Committee is dealing with large detail, although it will be up to the proposer to specify how much detail there is in the original consideration.

Charlie Hales said that he has a proposal that is a modification of Mary Tobias' proposal. He said that he has been persuaded in discussions that there needs to be a modification of the role of the regionally elected leader of Metro. He said that he believes there has to be a strong, regionally elected full time position in the structure of the regional government. He said he is no longer convinced that has to be primarily an administrative position, but it should be more of a lead policy making position. The model that Mary Tobias began to develop and his proposal are closer to the model used by the Washington County Board of Commissioners or to a classic, weak mayor system in which one member of the council has preeminent status in some ways and is still a voting member of the council. In his construct, that member would vote with other council members on council business, but would be elected regionally and would act as the spokesperson and figurehead for the government. The person would vote, rather than veto, in the policy making process. He said that he is no longer convinced that a strict separation of powers is needed with a policy making function on one side and a veto on the other. There are plenty of examples of council-manager, weak mayor systems, or Washington County forms of government. There does not appear to be a need for a separation of powers and a veto for those formats and there is not a need for one here. He said that one of the problems with this construct is the number of council members. The proposal has the number remaining at 13 for now but goes to an odd numbered council at the next reapportionment so that the problem of passing a charter and then having to convert 13 districts to 12 or 14 is avoided. For the first decade, there will be the problem of a potential deadlock created by the vote of the council chair, rather than the council chair breaking a tie. He said that one of the principles of the proposal is a more clean separation between policy making and administration. Therefore, there is the proposal for a chief administrative officer hired by the council. A city manager role or county administrator is the best parallel to this arrangement.

Motion:

Charlie Hales moved, Mary Tobias seconded, to accept his concept as the overall approach to the regional government structure. The concept states: The council chair is elected at-large on a non-partisan basis for 4-year terms. The council chair presides at council meetings and has one vote on all issues. The salary is the same as it currently is. The position would be effective January 1, 1993, with Rena Cusma completing her current term in this position. The council would have 13 members, elected by district, plus the council chair. The number of councilors would go to an odd number at the next census in 2000. The council positions are non-partisan, 4-year terms by district. The pay is roughly the same as the current system. The council selects a vice chair who is selected by majority vote of the council for a one year term. The council vice chair chairs the council meetings if the council chair is absent. The council has all power in the government to set policy and ensure that it is implemented. The administrative officer would be hired and fired by the council. The administrative officer hires staff, implements policies of the council, and prepares the budget proposal for consideration of council. There would be a non-interference clause in the charter to minimize council involvement in operational matters.

Mary Tobias said that she has no problem with the change in the chair being a voting versus non-voting member. She said that her only concern originally was the number of members on the council.

She said that the council has had 12 members for 10 years and there has been some awkwardness, but it has never brought the government to a screeching halt. She said that is the only reason she did not give the chair a vote under her construct. She said that vetoes are rarely ever used, but it is not a major make-or-break issue for her. The basic construct is the most important thing. From her discussions with corridor and chamber executives throughout the entire region, this is the type of construct that all the chambers support in terms of the administrative officer. She said that she feels the chambers of commerce represent a broad cross section of the public.

Ron Cease said that if there is going to be a glorified cheerleader, it should be a professional one. He said that when electing someone, in an area with over a million people, to chair the council, the council itself has no authority over the selection of their own presiding officer, which causes nothing but trouble. The construct does provide for the regionally elected council chair to have a vote on all issues. He asked Charlie Hales to explain the transition of Rena Cusma, the executive officer.

Charlie Hales said that it is a grandfather clause that the current holder of the Metro executive position would finish out the term of office, in terms of the length, in the new position of council chair. He said that one a philosophical basis for this construct is the Committee's discussions of making Metro more of a policy making body. If it is going to be more of a policy making body, perhaps its most visible and powerful officeholder should be implanted in the policy making process of the agency, rather than in the managerial side. He said that he does not accept the argument that it sets up an awful conflict by the council not being able to elect its own chair. He said that Washington County Board of Commissioners does not select its chair and neither does Multnomah County Board of Commissioners. A typical strong mayor system does not select a mayor.

Ron Cease said that there is not one commissioner on the Multnomah County Board of Commissioners who likes that arrangement. He said that it probably has something to do with whether or not the presiding officer is strong or weak. He asked Chair Myers, as a former Metro councilor, if having a regionally elected chair of the council would create problems.

Chair Myers said that he personally thinks it is better to have the body able to choose its own leadership. He said that he talked to Charlie Hales about the proposal earlier, and mentioned it as a concern of the structure. He said that his greater concern is not having a regionally elected official in a more politically responsible role, in the sense of being responsible for proposing the budget of the government and appointing the administrative officer with the advice and consent of the council. Whether it is in this construct or a separation of powers construct, the regionally elected official needs to be a regional political leader in a meaningful sense. He said that means attaching certain authorities to that office, such as shaping the budget because it is a program of action which can be a platform for someone to run for office. He said that his concern about a regional political leader does not go to whether the person is in the council or not, but goes more to what set of political responsibilities that person has vis-a-vis the overall government.

Ron Cease said that, looking at it from that angle, he would agree, but the political regionally elected official is being downgraded substantially by this kind of process. The regionally elected official has a substantially lesser role--it is not terribly different from the presiding officer, except that he/she is not selected by peers. He said that it might make a difference to have it be full time. He said that there have been some examples, in this area, of the city manager form where conflict is automatically set up between the manager and full time presiding officer--particularly with a full time elected mayor or a respected political figure in the presiding officer role.

Charlie Hales said that has not been evident in his experience with the three counties in the metro area that have this kind of arrangement.

Ron Cease said that, in Multnomah County, the presiding officer of the council is also the chief executive officer. He said that is a different kind of problem. He said that he thinks the council-manager form is a problem in Gresham and in a couple of other local cities where there is a full time mayor and an automatic conflict with the council, because, somehow, the political role is not being played by the manager. But the person who is the elected politician has inadequate authority to push that.

Ray Phelps said that he is going to vote no on the motion. He said that it is foolish to have a regionally elected official with absolutely no voice as a region-wide representative or a vote equal to the person who runs in 1/13th of the area. He said that Charlie Hales expressed concern about the council having some kind of a political representative, so it can focus on policy and away from administration. But this invites the contrary and the council will be more emersed than they are now. He said that, from his personal experience of electing the governor and lieutenant governor and them sometimes representing different parties, there is an interesting dichotomy. He said that there will be an interesting dichotomy here when the council elects their vice council chair person who really represents them sitting next to the person who they did not pick. He said that he is interested to see who the cheerleaders will be and on what day. He said that the government will run worse than it is now because there will be two elected spokespersons--one who does not represent the council at all, serving as its titular head but elected by a million plus people, and one person who represents nothing more than seven or eight of the 13, that person being more powerful in setting up and orchestrating and setting up the chair person. He said that, from personal experience, the governor would not leave town because the lieutenant was of a different party. When the governor had to leave town, the lieutenant governor put out an executive order and the governor came back and repealed it within 48 hours. He said that this proposal makes for more trouble rather than less. He said that somewhere, somehow, the Committee has convinced themselves that the council has not got the capability or the where with all to assert itself to become more policy oriented and he does not agree. It is a people situation and the council chooses, sometimes, to not engage in policy because it sometimes is unpleasant. It can do all the policy it wants to do. He said that the proposal is chaos and he does not see how, based on his experience at Metro as the administrative person for four years, this would ever work--no one would know who was running what.

Mary Tobias said that, based on her experience as mayor, her work with cities in Washington County, and her work through Oregon Mayors Association and the League of Oregon Cities organization, it is the predominate model in the state. She said that the person who is elected at large to chair should not be granted the seat of God. To make the government work right, there should be a continuous give and take in the council. On some issues, there will be one group aligning and a different group on a different issue. She said that it can happen with five people just as it can happen with 13. When the council elects a vice-chair, that person gives some certainty to the city that there is going to be someone there if something happens to the mayor. Political coalitions ebb and flow depending on where people's interests are and it will always vary. A political coalition will form around one thing and be totally different about something else. She said that is what is wanted in government, there should not be a government that avoids that kind of stress. Otherwise, not enough people's opinions are being heard. She said that this model is working effectively all around the state--the level of effectiveness depends on the people in office. She said that it will not create chaos. It will give the Committee something that the common citizen will recognize. The people need to know what they are working with. She said that the Beaverton example often causes the most stress because it is so different from the other models. Mayors of other cities do not know how the mayor of Beaverton fits into the government--whether or not he is the city manager or the titular head of the government. Most of the time it works very well, but it sometimes gets confusing.

Larry Derr said that, in response to Ron Cease, it is true that the at-large elected person is being downgraded. He said that the model has a chance of doing some of the things that he is concerned

about and he supports it. He said that his support could go away if the Committee went too far from what it is currently. The at-large elected person has potential to have some influence and affect on the region, even though that person, functionally, would be quite similar to the presiding officer of the current council. He said, for this reason, as well as possibly others, that the position will be the only at-large elected official. There will not, in this model, be another person in an executive officer position with a policy role through the veto that this person is sparring with. The power is in the council and the regionally elected person presiding over the council. To the extent that the person can build consensus on issues on the council, there is the potential without any other formal authority given to it, to be an extremely influential position. He said, in response to Ray Phelps' concern about the vice-chair sparring with the elected person, he does not see the vice-chair position being any different than the situations that Mary Tobias is alluding to. He said that Washington County Board of Commissioners has a rotating position that is basically a person to run the meeting when the chair is not there, not a person who has any powers of political intrigue. He said that he does not think it is true that there will be more rather than less interference by the council in the operating side of the government. He said that the concept states that all of the operation is to be done by the hired and appointed manager, with interference clauses. The manager would be the employee of the council. By definition, until the manager screws up, that person will have the confidence of the council as opposed to one elected body looking over the shoulder of another elected official. Regardless of how much confidence there may be, there is undoubtedly, from time to time, some feeling of obligation to be looking over the shoulder. He said that, under this concept, it will probably be more of a response when problems show up and then something will need to be done, which will probably be to get a replacement manager. He said that it does have the potential to elevate the role of the council somewhat in a positive direction on the policy making.

Frank Josselson said that his concerns about the proposal are not that the council chair is too weak, but that the council chair has the potential of being way too strong from the point of view that the council chair is the only person in the government who is full time and paid. The Committee experience is that those who are able to devote more time and energy to a council or committee position are going to have more success in driving their policies. He said that the fact that it is a full time paid position gives it enormous strength. He said that there is no question, in this type of committee environment or with respect to any council of this kind, that there are worker bees and not worker bees. The people who work harder and have more time to spend are going to get their way more often. He said that the council, by virtue of its size, is too weak. A council of 13 is a large and, in many respects, anonymous kind of a body. He said that the voters will never feel terribly intimate with it. He said that there have been a lot of fictions stated in the Committee about being closer to the people and the smaller the number the voters represented by the elected officer, then the better they are going to know the official. He said that is not true in his experience or anyone's experience. With fewer councilors, they are more visible, more accountable to the press, and more accountable to the public. He said that if there is a contention that the council chair position proposed by Charlie Hales is too weak, he disagrees. He said that if the contention is that the council is a good council, he disagrees because of the size. He said that one of the problems on the Committee is that, from week to week and issue to issue, because of the size, they are unable to gage where each other will come down on issues. He said that, by virtue of its size, it is a weak committee and is not likely to produce strong and forceful action. He said that he could support the proposal as it is written, not withstanding his concerns, simply because it is in the public's interest to have a charter. He said that what Charlie Hales has proposed is better than the current structure, which he does not think is very good. He said that if there is much tinkering with it, he will fall off because he does not like it for the previously mentioned reasons.

Ron Cease said that he believes strongly that there needs to be a strong executive for this government. He said that he would be the first to say that position could be a manager or an elected executive. He said that the proposal has two full time people--the manager and council chair. He said that Mary

Tobias gave the example of the cities in the area, which is accurate, but most of those mayors are part time, some are elected as presiding officer by the council, and others are directly elected. He said that he thinks an automatic conflict has been set up. He said that the manager is responsible for running the shop, running the departments, and that person is, inevitably, a chief policy maker whether that person is elected or not. The budget is a major responsibility of the manager. He said that the budget is a major political document and is probably the most single major political thing that the whole government does. He said that this region is diverse and will get more diverse. He said that he thinks taking the chief executive and making that position appointed and removing, to some extent, the major political responsibilities of the region is a dreadful mistake. He said that any proposal with an appointed chief executive for this region is a mistake. He said that, at a meeting at mid-county, people told him that they do not want a professional non-politician because it will take away their vote. He said that if this is what the Committee wants to do, so be it. He said that, at the end of the process, he will not support a charter with an appointed manager and he will fight it. He said that, at this particular juncture, he will not decide to take away people's right to select the executive officer of the district. He said that he has a problem with the conception anyway because it is trying to have the cake and eat it too. He said that the Committee wants a professional manager, and he respects the Committee for that, because they are distrustful of politics and electing people. He said in order to compensate for the negative side of that, someone needs to be elected at large and given a presiding role over the council. He said that he agrees with Ray Phelps in that it is being set up for absolute conflict. In those city governments where there is a full time mayor, as well as a manager, there potentially are problems. He gave San Diego as an example of a city with a full time mayor and manager. He said that people want their politicians elected, politically responsible, and to have a large role in management, which puts them in difficulty with the manager position. He said that he thinks it is a bad way to go. He said that even though he does not like the manger form, it might be better to say you need one or the other.

Wes Myllenbeck said that, based on his experience as Washington County Board of Commissioners chair, there is something to be said about an elected executive officer and the council selecting their own presiding officer. He said that it was one of the easiest jobs he ever had. He said that he did not have any problems with the administrative officer, but he was trained in that and understood what they were going through. He said that the manager position is political because he/she has to keep seven members of the council happy at a time in order to retain his job. He said that he originally favored the Washington County plan, but has since changed his mind and thinks that the elected chief executive is the best way to go.

Charlie Hales said that he put the proposal on the table as a compromise. He said that anything that the Committee comes up with will be a compromise, both with what the Committee ideally wants and with the differences of opinion within the region that are reflected around the table. He said that if he was to design his ideal Metro council, it would probably be three or five full time members and the county governments would be eliminated. He said that will not happen in the real world. He said that he would design it that way even if the counties were not eliminated, but the voters will not approve a three or five member increase in the number of full time political offices in the region. Therefore, anything that the Committee does will be a hybrid in one sense and a compromise in another. He said that it cannot be done in a vacuum. He said that the region has been very lucky in that both people who have occupied the executive officer position have had professional qualifications for the office. He said that there is no guarantee that will always be the case, although politics usually results in the election of capable people. He said that maybe the region can count on the fact that the person who is elected to the Metro executive position, which is a managerial position in its current construct, will always be managerially capable. He said that having seen the Washington County or Clackamas County model in which there are full time politicians, and having nearly full time politicians with the Salem mayor, Lake Oswego mayor, and Gresham mayor, working with a city manager or a county administrator, they have worked very well together and have had a fairly clean separation between

political leadership at the council level and management at the county administrator level. He said that he does not want to move the agency all the way to a pure council/manager format. He said that if the proposal has gone too far in that direction for some, the Committee should talk about it, but this hybrid is the best compromise that he is able to reach between the two poles. He said that the most critical distinction is that the council chair would be a full time paid position, just as the executive officer is now. He said that, in the practical world, that is a pretty significant difference in the relationship and clout of the executive officer. He said that there would be clout and significant leadership associated with the council chair position, even while the managerial responsibilities have been vested in the chief executive.

Frank Josselson asked if Charlie Hales knew Bob Shoemaker's position on the proposal.

Charlie Hales said that the last time he talked to Bob Shoemaker, he was interested in the concept, but he does not know if Bob Shoemaker would sign off on the one before the Committee.

Larry Derr said that he talked to Bob Shoemaker earlier in the week and he fully supported Larry Derr's proposal, but expressed concern that it would not get majority support out of the Committee. He said that he and Bob Shoemaker discussed where else they could go and came up with something quite similar to Charlie Hales' proposal. He said that he asked Bob Shoemaker if the Committee came up with something like that, could he represent his views. He said that Bob Shoemaker said yes. He said that this proposal is close enough to what he and Bob Shoemaker were working on so that he feels that he could safely say that Bob Shoemaker would agree.

Matt Hennessee said that he is beginning to feel that perhaps the Committee would have been better to try and resolve this issue when first starting off. He asked, looking at the role of the council chair and juxtaposition that, the non-interference clause minimizes council involvement in operational matters, and what the role is of the full time council chair. He said, from experience, he appreciates non-interference clauses, but they are not worth very much in practicality.

Charlie Hales said that the most significant thing that the council chair would do is agenda control. He gave the example of the role of the chair at the state legislature--the chair has the same weighted vote as the committee members but the control of the agenda is the significant difference. The policy proposals would generally originate with the council chair. The budget proposal would originate with the chief administrative officer.

Matt Hennessee said that, in addition to Wes Myllenbeck's comment that the chief administrative officer must keep seven people happy to keep his/her job, he believes that the council chair has to keep as many people happy to maintain any sense of influence on the body. He said that he has seen people who are elected at large become extremely ineffective when they get to the table and realize that they are only one of two or three people who feel the way they do on various issues. He said that it is not unusual, in this kind of construct, to have the vice-chair become more powerful than the council chair, from the standpoint of the whole political philosophy that one brings to the table. He said that he is not supportive of the proposal, however, he will try to remain open to additions to make the proposal more palatable. He said that he would also like to have a discussion on the elected auditor or audit process. He asked Charlie Hales if the proposal includes the council hiring an auditor and that there would not be a separately elected one.

Charlie Hales said that the proposal has three movable pieces in his opinion. One is the question of veto power and whether or not it is wanted. The second question is where to lodge the proposal of the budget and budgetary authority--whether it should be with the chief administrative officer or with the chair. The third question is where to lodge the audit function. He said that he does not support the idea of a separately elected auditor, but there needs to be a clearly defined audit function in the

structure of the government. He said that is not included in the proposal but is not omitted because he does not want it. He said that it omitted because he did not know where to play it in the structure. He said that he is assuming that the council would hire the audit function.

Matt Hennessee said that, in this construct, a full time politician--the council chair--is being hired who is not really a manager but is the political head of the government.

Ned Look said that he understands that the proposal states that the agendas would be set by the chair. He asked if the chair would also appoint the necessary committee appointments.

Charlie Hales said yes.

Ned Look said that the proposal lists salary ranges for the council chair and council members. He asked what the salary levels would be.

Charlie Hales said that the remaining members of the council should be paid more than they are paid now, but it should be less than a full time position. He said that they are currently receiving expenses per diem.

Ned Look asked about the salary for the hired administrator.

Charlie Hales said that it is a budgetary decision for the council.

Ned Look asked if it would be at the same level as the current administrative officer.

Charlie Hales said that the person would probably get more because the position is parallel to a county administrator or city manager position.

Mary Tobias asked, on the council chair position that would be responsible for committee appointments, if the council would need to concur for appointments to committees.

Charlie Hales said no. He said that he thinks that the chair would make committee appointments anyway.

Mary Tobias suggested taking a vote to see where the committee is on the issue

Frank Josselson asked if the motion includes a specific authority on the part of the council chair to set the agenda.

Charlie Hales said that charter is silent, and therefore assumed, on the ability to set the agenda and committee appointments. He said that the language can be changed to clarify it. He said that, before the Committee votes, there are a few loose pieces that need to be resolved.

Mary Tobias said that it is not necessary for the council to go through confirmation hearings, but it is a good idea to have the council pass on the people who are being proposed for Committees. She said that it increases the involvement of everyone and creates a situation in which people are looking at things together. She said that there are times when there are good reasons to question an appointment, such as to get possible conflicts of interest before the whole body so that they can be accepted or rejected. She said that the council chair should all have a voice in the council's business, but not necessarily the final absolute on all things. She said that she does not have a problem with the council chair setting the agenda, because, in point of fact, the business of the government will really set the agenda just as the business of the government sets the budget. She said, regarding who proposes

the budget, that the full time elected official will not really propose the budget because half of the budget is set by externals beyond his/her control. The dollar spending is set by how much is allowed to be raised, and the natural function of the government--whatever it is assigned to do and the resources it takes to do that--sets the rest of the budget. She said that the budget process is extremely complicated and not understandable. She said that a professional finance manager will always propose the budget. She said that there is not that much leeway for policy in budgets anymore because there is not that much money that is disposable income. She said that she supports the idea of a citizens budget committee because it is important to have as many people involved in designing and disposing as possible--it the only way to get a lot of different viewpoints at the table.

Ned Look asked what staff the administrative officer hires--is it key staff or all the staff. He asked how it is currently done.

Charlie Hales said that department heads are confirmed by the council.

Ned Look asked if it was Charlie Hales' intent to have the department heads confirmed.

Charlie Hales said that it is open to discussion. He said that there are some pieces of the proposal that still need to be flushed out.

Mimi Urbigkeit said that she is uncomfortable with a 13 member council. She said that a smaller council is more visible and more accountable. It is forced to look at the region as a whole in a different way than a larger council does. A 13 member council would afford itself the luxury of being more zeroed in on individual territories, which is not in the interest of the region. She said that there are quite a few things about the compromise which are acceptable. She said that she likes Mary Tobias' suggestion for a citizens budget committee.

Norm Wyers said that he knows people have been working for the last couple weeks to come up with a compromise and he hopes that the Committee does not come up with something that no one likes very much or everyone likes just enough to pass something to keep the Committee together. He said that if there really is a fundamental division on something, he hopes the Committee can identify what it is and not agree to something they do not really believe in.

John Meek said that the proposal calls for 13 councilors plus a council chair. He asked, if the motion passes, if that number is set in stone or if it could be up for discussion.

Charlie Hales said that the Committee could have that discussion whether the motion passes or fails. He said that his preferred way to govern a regional government would be a small full time council, but he does not think that is feasible.

John Meek said that the major issue in the motion is the role of the regionally elected person. He said Charlie Hales enumerated several times that some of the items are still up for discussion.

Charlie Hales said that the Committee has discussed a couple of those pieces. He said that he is satisfied, and the point was made well by Mary Tobias, that, in the practical world of budgeting, it is going to be the administration--the chief administrator and his/her staff--that proposes the budget. The council, with the chair at its head, would dispose, modify, and pass the budget. He said that he feels that the budget preparation is correctly lodged with the administrator. He said that he would like the Committee to debate veto authority. He said that he does not believe that a veto is needed--a strict separation of powers is not needed--and governments get by fine without a veto.

John Meek said that he has supported this form of government from the onset. He said that he does

not believe that the presiding officer is weaker than the current executive officer. He gave the examples of past presiding officers of the Washington County Board of Commissioners and said that Virginia Dagg was not a weak presiding officer, but she was not effective. He said that Bonnie Hays has not played a weak role in the political make up of the region. He said that a full time council chair adds more strength to the council in carrying out policy than an executive officer would. He said that, over time, a council form of government has the strongest and clearest directive of policy. The Committee has stated time and time again that the council should be a policy board to deal with growth in the region. He said that the charter does not need to be structured today for something that might happen 50 years from now. He said that the Committee is looking at today and the growth issues in the next 20-30 years. Right now, there needs to be someone elected at large that can get out to the public and be visible without being concerned about running three or four different agencies within Metro.

Friendly Amendment to the motion:

Charlie Hales amended, approved by Mary Tobias, the motion to clarify that the power of committee appointments and setting the council agenda are lodged with the council chair. The selection and supervision of an audit function is vested in the council.

Mary Tobias asked, in regard to the audit authority, if the council were to decide that it would be best to have an independent elected auditor, could they create that office under this authority.

Charlie Hales said that they would have to change the charter. They could select an external auditor or hire an internal auditor under the authority. The authority would exist even if the charter said nothing.

Frank Josselson said that, on balance, the original motion is sufficiently better than what now exists that he can support this and vote for it enthusiastically and vote for a charter that incorporated those principles. He said that the council chair has been so strengthened, and the committee structure perpetuated, in the amendments, that while he is prepared to vote in favor of the motion in order to put the structure issue behind, he will not support a charter with these provisions in it. He said that the council chair is too strong. He said that he will vote for the motion as amended, but he will vote against the charter and he will oppose it because the chair position is way too strong.

Mary Tobias said that any government is going to have committees. There is a lot to do and a lot of things for oversight. She said that the RPAC will be a committee and there will also be special study committees to maximize citizen involvement because the nature of Oregonians is to be involved. She asked Charlie Hales what kind of committees he was referring to in the amendment. She said that she thought it was not any kind of permanent committee structure. She said that she thought it was the normal ebb and flow of public involvement.

Chair Myers said that it would be his expectation, under any arrangement, that the council would have authority by resolution or ordinance to create a committee structure for the government. He said that he understood the question to be who would make the appointments into the committee structure. He asked if it was Charlie Hales' proposal that both the chairs and members, of whatever committee structure is established, would be selected by the regionally elected chair.

Charlie Hales said that his presumption was that the council would say that they would have a five member committee for X topic to do Y function and will last for Z period of time. He said that the chair would appoint the members of the committee primarily from internal committees. He said that there is also the question of external committees.

Frank Josselson said that he, and others, have been criticized for proposing too high a level of detail for the charter. The question of committee formats and whether or not there should be internal committees are issues that the Committee was able to deal with during the deliberations on the bylaws. They are the kind of issues that you would expect a council to address on its own. How the agenda is set and what control the council and chair has with respect to the agenda items are issues that should be decided by the council. He said that it is a level of detail that is not necessary in the charter. The charter authority, of the chair to appoint the group making the decisions or recommendations, puts the chair in a tremendously powerful position. He said that it also implies that this is a government that is going to be run by committees, which he feels is very much a problem in the existing government. The current government operates by means of committees whose decisions are largely controlled by the executive officer and her staff and then rubber stamped by the council. He said that he would prefer that Charlie Hales reinstate the original motion and leave the details for the council to figure out.

Charlie Hales asked what the effect would be of doing that.

Mary Tobias said that it would be in the rules of the council. She said that the council would still have the authority to do it if they wanted to.

Larry Derr said that he agrees with Frank Josselson. As the statute is written now, it says that the council adopts its procedural rules. He said that is an adequate balance of authority between the presiding officer and the council. In addition, it gives the council flexibility to tailor its rules to changing times and needs.

Charlie Hales withdrew the committee portion of the amendment, but left the audit authority.

Restatement of amendment: The addition to the motion reads that the council chair has the authority to set the council agenda. The selection and supervision of an audit function is vested in the council.

Ned Look asked who prepares the budget.

Charlie Hales said that the budget preparation is lodged in the administrative office.

Ned Look asked if a citizens budget committee is part of the motion.

Charlie Hales said that it is not specifically stated. He said that, like any other committee, it would be subject to the rules of the council that they could create such a committee if they wish.

Larry Derr said things like the citizens budget committee could be added if the motion passes.

Charlie Hales said that is true, but the Committee just stepped back from that with the case of committee appointments in general. He said that he does not see any reason to change that. The citizens budget committee may be important, but it may not be any more important than any other. He said that if the charter stated that they had to have a citizens budget committee, but they did not want to listen to one, having it in the charter would not make a difference. If they did want to listen to one, they would have the power to create one if they wanted to.

Ned Look asked what the exact changes are.

Charlie Hales said that two changes have been made. One, the addition that the council chair would set the agenda for the council. Two, the council would have the power of selection and supervision of

an audit function. Otherwise, the original motion stands.

Ned Look asked if the administrative officer hires all staff or if the key appointments go back to council for approval.

Charlie Hales said that it is not stated.

Matt Hennessee said that it does not make that much difference.

Wes Myllenbeck said that the number of councilors would be 13 plus one added at the next census. He asked if there would be no more discussion on the number of councilors if the motion passed.

Chair Myers said that is not the spirit in which it is being presented. He said that individual details will be subject to further discussion, if needed.

Frank Josselson asked if a number of the councilors wanted an item included on an agenda and the council chair did not want that item included on the agenda, could the council chair preclude that item from being included on the agenda.

Charlie Hales said as a practical matter, no. As a technicality at an individual meeting, probably yes.

Frank Josselson asked if the council chair could frustrate a majority of the council's determination to hear an issue.

Larry Derr said that if an issue cannot get on the agenda, it cannot be heard.

Charlie Hales asked how it is done in Washington County. He asked who set the agenda for the Washington County Board of Commissioners.

Wes Myllenbeck said that the charter does not say, but the board gave the authority to the county administrator. The administrator of Washington County has no powers whatsoever. The charter just states that there shall be an administrator, so all powers are given and taken away by the board.

John Meek said that, theoretically, the chair has the responsibility of bringing the agenda forward and any council member has the prerogative to bring an issue forward and the chair can choose to hear it that day or not, or there could be a majority vote to bring an issue forward and put it on the agenda.

Charlie Hales said that he assumed it would be the same at Metro. He said that someone has to be responsible for the agenda.

Larry Derr said that is true but it does not need to be in the charter.

Charlie Hales withdrew the portion of the amendment dealing with the power of the council chair to set the agenda.

Ron Cease said that the council chair will have nothing to do if that authority is taken away.

Restatement of the amended motion: The amended motion reads: The council chair is elected at-large on non-partisan basis for 4-year terms. The council chair chairs council meetings and has one vote on all issues. The salary is the same as it currently is. The position would be effective January 1, 1993 with

Rena Cusma completing her current term in this position. The council would have 13 members, elected by district, plus the council chair. The number of councilors would go to an odd number at the next census in 2000. The council positions are non-partisan, 4-year terms by district. The pay is roughly the same as the current system. The council selects a vice chair who is selected by majority vote of the council for a one year term. The council vice chair chairs the council meetings if the council chair is absent. The selection and supervision of an audit function is vested in the council. The council has all power in the government to set policy and ensure that it is implemented. The administrative officer would be hired and fired by the council. The administrative officer hires staff, implements policies of the council, and prepares the budget proposal for consideration of council. There would be a non-interference clause in the charter to minimize council involvement in operational matters.

Vote on the motion: Judy Carnahan, Larry Derr, Charlie Hales, Frank Josselson, John Meek, Mary Tobias, and Mimi Urbigkeit voted aye. Jon Egge and Bob Shoemaker were absent. Ron Cease, Matt Hennessee, Ned Look, Wes Myllenbeck, Ray Phelps, Norm Wyers, and Chair Myers voted nay. The vote was 7 ayes to 7 nays and the motion failed.

Mary Tobias said that she is getting very concerned about the amount of time the Committee has left between now and when something needs to be out for public review so they can get something back in time to rewrite it if necessary. She said that the Committee has two proposals, both of which came close to going somewhere. She asked if both proposals could be put forward for public comment in the review document and see what the reaction is. She said that it gets back to the question of what will the Committee do if they go to public comment and get an overwhelming response for one form versus another. She said that may not be the right approach, but the Committee cannot afford another night on structure. She said that she is worried that there is nothing out there for people to respond to.

Ron Cease said that he prefers the elected executive form of government and will not support any form that does not have that. Other than the issue of the concept, he said that it is clear that the structure is the biggest issue that divides the Committee. There are those who want an elected executive officer and those who want a manager form. The other pieces are modifications of those two forms. He suggested that both forms be placed on the ballot and that the voters be given a chance to decide whether they want a manager or an elected executive officer. He said that the complications would be that the ballot could not just say manager form or elected executive form since so many other issues depend on that particular decision. He said that the problem with having two options at the hearing is that the hearing will be heavily represented by local government officials and the general public will not be well represented. He said that he believes there is a substantial difference between what the local governments want and what the public will support. He said that it would make more sense to give the voters the option.

Ray Phelps said that he opposes Ron Cease's suggestion only on the basis that the structure of government will not change if something ties or fails to get a majority. He said that, so far, no one has a better majority idea than what presently exists today. He said that the more he watches around the table, the people who have had hands on experience and hands on working with the various forms of

governments have all voted against everything, except for the current system. He said that it is fascinating to him why the Committee takes so much time to change something that there is no majority to change. He said that he would like not to continue this discussion. He said that he is not interested in going to an orchestrated hearing which is what a public hearing would be. He said that the Committee should just leave it alone. He said that he does not think it is broken and that it works well.

Chair Myers said that he thinks there is essentially an even split on the committee around that question.

Frank Josselson said that the Committee really is not split. He said that there is an even split tonight because Jon Egge and Bob Shoemaker, who both would have supported this motion, could not be at the meeting for reasons beyond their control.

Chair Myers said that he said that it was essentially, an even split. He said that there are members of the Committee who were not prepared to accept the nine votes the other way also.

Frank Josselson said that, if Jon Egge and Bob Shoemaker were at the meeting, then there would be nine votes for this particular proposal.

Charlie Hales said that he is not unhappy that the Committee is at this point, although he would like the Committee to pass something tonight. He said that he disagrees that the Committee should send a chinese menu out to the voters because that is not why the Committee is here and he disagrees on taking two proposals to the public hearing. He said that he would like the Committee to agree on structure by more than a nine to seven vote. The Committee has done better than that on other tough issues. He said that he is not prepared to say that the Committee is stuck, nor is he prepared to say that the only choice is the status quo because some improvements can be made on it. He said that he is not satisfied that the current structure of Metro is the appropriate structure for what the Committee wants the government to focus on in the future. He said that if there is going to be a governing body and a regional government that is more focused on policy making and less focused at the political level on the operation of services, the structure of the government needs to be changed somewhat.

Chair Myers said that he has said to one or two members, that if the other version of the existing structure had won nine members, he would not view it as an acceptable outcome, politically. It might have been a technical majority, but it would, obviously, not represent anything like the kind of overall consensus that seems to be around all of the major portions of the charter.

Frank Josselson said that there are a number of members of this Committee who have made effort after effort to find a compromise that would be acceptable to other members of the Committee. They have proposed retaining the elected executive, council-manager with a separation of services and policy making, and has also proposed going the other direction under one. He said that there are a number of members of the Committee who have not moved an inch from the current system. He said that he is very pessimistic about the Committee's ability to reach any decision by a large consensus when there are committee members who are unwilling to compromise at all. He said that is the case with a number of members of the Committee. He said that whatever structure the Committee develops will be by a slender majority. By the bylaws, which the Committee adopted unanimously, the Committee agreed to live by majority rule. He suggested that the issue be brought up again when the full membership of the Committee is in attendance and a vote be taken then. He said that as long as there are members of the Committee who are absolutely unwilling to compromise and discuss compromise, the Committee is not going to have the issue decided by a large consensus.

Ned Look said that he agrees with Charlie Hales. The Committee was appointed to make decisions and they have the capability to work out a compromise. He suggested that the Committee take a break and have Charlie Hales and those who are opposed to this form visit informally. He said that no member can speak for another member of the Committee. He said that, at the meetings, he has learned things in the discussion that have changed his mind. In fairness to Bob Shoemaker and Jon Egge, they and only they can represent themselves. He said that he understands that Frank Josselson has had separate conversations with them and they may support, in principle, what he is saying, but that does not mean that hearing things in the discussion tonight would not have changed their minds. He said that he had also talked to Bob Shoemaker in the past few days and he liked the proposal, but had reservations about it. He said that he thinks that putting two options on the ballot is a cop out on the part of the Committee and will just confuse the issue.

Chair Myers said that he does not think there are people on the Committee who support the status quo who are unwilling to try to modify it. The problem is that the specific modifications, or basis for compromise, that have been proposed arouse a judgement that may tilt the scales the other way in terms of an individual judgement about what makes good governmental sense and what does not make good governmental sense. There are ways to strengthen the present structure that some members of the Committee might be willing to accept. There are honest differences around the table as to the specific proposals which have been advanced, in the name of compromise, that, to some extent, arouse a concern about whether they make good governmental sense. He said that there are a lot of areas where it is easier to compromise without that feeling that it is about some of the governmental structure questions. He said that he hopes the Committee members can take the approach which no one will view anyone around the table as unwilling to try to move from some specifically defined position.

Ron Cease said that he thinks that the council can be strengthened, although it is partly a personality problem. He said that he thinks that the use of an administrative office also makes a good argument. He said that he is troubled that the local governments have been lobbying the issue to death and the Committee is not getting any response from the larger public at all. He said that the RGC is likely to get what they want, but there is a difficulty with it and the larger public. He said that is one of the problems he has with the hearing. He said that he realizes that the Committee has to have a hearing, but it will be the same idea of hearing from the local governments and not the public. He said that, for this type of government, there needs to be some sort of strong executive officer. He said that would be true whether it be a manager or one that is elected. If there is going to be a strong executive officer, he said that he would prefer that it be elected. He said that the administrative principle can be combined with the elected principle. He said that he is not sure that Charlie Hales' proposal does that, but there is room for compromise. He said that there needs to be more than nine votes if the Committee wants the charter to sell. He said that those on the winning side will have to be willing to go out and sell it. The voters need to be convinced that what is being proposed is better than what they have now.

Matt Hennessee said that he agreed with Ned Look's statement about the possibility of the two absent members changing their minds based on the discussion. He said that, when the chair was being strengthened, the proposal looked more attractive to him. He said that when things started to be pulled back from the chair, the chair who he thought would have gotten the attention of the people sitting around him/her, all of a sudden gets ignored. He asked how the issue could be reconsidered.

Chair Myers said that if the Committee wants to be that rigorous, someone who voted no, because that was the side that prevails in a tie vote, would have to bring it up for reconsideration. He said that he would be disinclined to hang too much on strict formalities. If there is a majority of the Committee who wants to reconsider, it could be done.

Matt Hennessee said that the Committee has taken some tough issues to a subcommittee and that subcommittee has come out with a recommendation. He said that the Committee generally works well in that form and that he cannot remember a committee report being voted down. He suggested that the Committee use a subcommittee because it might get somewhere. He said that he is not a total proponent of forming committees, but the Committee has tried the other approach and has not done well. The Committee has been successful on finance and other issues that have been seemingly difficult to be taken to a subcommittee.

Mimi Urbigkeit said that she was not appointed to the Committee to represent local governments, but it is her impression that local governments are representative governments and they do represent people. She said that she does not understand why Ron Cease thinks that the RGC is lobbying in a way that is out of order.

Ron Cease said that he did not mean it that way. He said that the Committee is getting a sided presentation by a group of people and the Committee is not getting balance from anyplace else.

Mimi Urbigkeit said that the other areas are also well represented on the Committee.

Ned Look said that he agrees with Matt Hennessee. He suggested that the Committee take a break and a few people get together and work something out. He said that he would hate to see the issue of structure go to another meeting.

Mary Tobias said that she is really tired of the backdoor politics. She said that the issue needs to be debated at the table because that is what the members were appointed to do. If the Committee has not resolved the issues, it ought to be done at the table. She said that she is not in favor of people going off in little groups. She said that she cannot speak for the general public, but, two weeks ago, she sat in a meeting with the chamber executives from nine chamber of commerces who all have members who are examining the charter issue and are not being lobbied by the RGC, Metro, or this Committee. Of that group, the ones who had taken positions, favored the council-manager form of government. She said that she understands that the information she is passing on has the same problem as speaking for Committee members who are not present, but the information is what occurred at that meeting. Of those who had study committees who were going to recommend positions, they were going to recommend the council-manager form of government. She said that Blanche Schroeder, chair of that committee, is at the meeting tonight and can speak to the issue if she misstated it. She said the chambers are about as real public as the Committee is going to get on this issue--they are people who sit down and take the time to analyze it, put it together, and take it apart. She said that the Committee is not going to get the general public to sit down and look at the charter. She said that is what is wrong with Ron Cease's suggestion of putting options on the ballot.

Chair Myers said that he would like to resolve the structure issue at this meeting. He said that there have been discussions about approaching the issue of organization in a way that could bring the regionally elected individual into a single branch as well as making sure that position is a position of strong political leadership.

Charlie Hales suggested a structure that would have the same structure as before with some modifications. The council chair would have the power to set the agenda, propose the budget, and would select the chief administrative officer with the consent of council. He said that the council block would remain the same, including the selection and supervision of the audit function. The administrative officer would be hired and fired by the council chair--the hiring would be with the consent of the council. The administrative officer would prepare the budget proposal for consideration of the council under the direction of the chair.

Motion:

Charlie Hales moved, Matt Hennessee seconded, that the structure for the regional government follow the concept of: the council chair is elected at-large on a non-partisan basis for 4-year terms. The council chair chairs council meetings and has one vote on all issues. The salary is the same as it currently is. The council chair would have the power to set the agenda, propose the budget, and would select the chief administrative officer with the consent of council. The position would be effective January 1, 1993 with Rena Cusma completing her current term in this position. The council would have 13 members, elected by district, plus the council chair. The number of councilors would go to an odd number at the next census in 2000. The council positions are non-partisan, 4-year terms by district. The pay is roughly the same as the current system. The council selects a vice chair who is selected by majority vote of the council for a one year term. The council vice chair chairs the council meetings if the council chair is absent. The council has the authority to select and supervise the audit function. The council has all power in the government to set policy and ensure that it is implemented. The administrative officer would be hired, with consent of the council, and fired by the council chair. The administrative officer hires staff, implements policies of the council, and prepares the budget proposal for consideration of council under the direction of the chair. There would be a non-interference clause in the charter to minimize council involvement in operational matters.

Ned Look asked if the appointment of the committees was out of the motion.

Charlie Hales said that the motion is silent on that issue.

Ron Cease said that the motion seems to be a strong, elected executive with an administrative officer attached to it.

Charlie Hales agreed.

Ray Phelps asked if the council chair has a vote.

Charlie Hales said yes. He said that it is still a chair with some executive powers.

Mary Tobias asked why the authority to fire would be invested in one person.

Charlie Hales said that it is a hybrid, but it is a chair with some executive powers.

Mary Tobias said that she understood the granting of executive powers. She asked for the rationale behind the ability for one person to fire the chief administrative officer. She said that, in terms of modern local government, the trend is to hire the administrative officer under contract. The contract would be, most likely, with the city and would be vested in the policy body of the city, which would be the council.

Charlie Hales said that it is vested in the same area for the regional government because it requires the consent of the council to hire the chief administrative officer.

Mary Tobias said that she did not understand why only one person would be in the position to break the contract.

Ray Phelps said that there may not be a contract. He said that if the dismissal is subject to the

direction of the chair, if there is a contract, it could be so constructed.

Chair Myers said that the conception makes the regionally elected officer the party responsible for the performance of the administrative officer and the structure under him/her.

Charlie Hales said that is correct. He said that the veto power had been removed.

Wes Myllenbeck said that his proposal had the executive officer choosing, with the consent of the council, the administrative officer. The executive officer had the ability to fire the administrative officer. He said that he did it that way because he thought it was more workable. The administrative officer does not have to play a lot of politics--he/she can pay attention to his/her job. The executive is full time and should know whether the administrative officer is doing his/her job.

Ron Cease said that he is going to vote no because he wants to think about it. He said that it is a much stronger proposal and it is very close to the administrative officer arrangement. He said that it is something that the Committee can vote for and move on to other issues. He said that there are still some pieces that need to be fine tuned.

Wes Myllenbeck said that the changes do not bother him too much. He said that the standing RPAC really bothers him. He said that the standing RPAC bothers him more than the structure.

Chair Myers said that the standing RPAC is an issue outside of what the Committee is currently resolving.

Ray Phelps said that he would like to see an elected treasurer or auditor. He suggested that the charter contain a provision which would state that the council may, by ordinance, establish an elected office of auditor or financial person, if there is a desire for a continuing separate independently elected person to evaluate the financial transactions, financial dealings, contracting, and otherwise business operation. It would allow for the treasurer or auditor to be independent of some person's ability to fire the treasurer or auditor if he/she does not go along with the program. He said that it is possible that an awful lot of strength comes to the council, and energy could be better directed toward policy, if the council can have the assurance that someone, independent of anyone's ability to dismiss, can evaluate financial transactions, revenue plans, growth costs, etc. He said that it would be better, rather than make it a part of the charter, if possible, to authorize the council, at some point, to create an elected office by ordinance--in much the same way as the statutory offices created by law.

Chair Myers said that he thinks the concept of a controller function has merit in a government that is getting as big as Metro is, financially. He said that he thinks it would make more sense to take it as a further issue from this motion.

Ray Phelps said that he had no problem with the current.

Chair Myers said that one item on his agenda is other elected/appointed officers.

Matt Hennessee said that, regarding Chair Myers response to his earlier question, he does not like to break rules because when they start to get broken, there is some difficulty getting the group back together. He said that he hopes what the Committee is doing is not seeing this motion as a reconsideration of the earlier motion, but as a new motion.

Chair Myers said that is the way that he interpreted Matt Hennessee's earlier question--that it would be a different proposal before the Committee. He said that he would certainly be inclined to say that it is a reconsideration issue if the motion was exactly the same. He said that he views this motion as a

completely fresh initiative.

Norm Wyers asked Charlie Hales to describe the differences between the proposal and what exists currently, with the exception of the administrative officer, which, actually, currently exists.

Charlie Hales said that there are three principle differences. First, the principle political position is a member of the council. Secondly, the veto power has been removed. Thirdly, some of the powers now vested in the executive officer, those that are the most administrative and least executive, are moved to the position of chief administrative officer.

Ron Cease said that the proposal is a slightly different version of a strong executive officer.

Charlie Hales said that it is slightly different, but those differences are more than just political ones at the table. He said that it is important to him that the chief political office be involved more in the policy making process and seated, literally, at the table in the discussion and resolution of those policy issues.

Ron Cease said that he liked that part because there has always been an issue of the separation of that extent. He said that the difficulty of it is that, in many ways, it will not strengthen the council. In most cases, there is a very strong figure that is seated on the council and who has an agenda. He said that he thinks problems will be created. He said that this motion is far and removed from the earlier proposal.

Vote on the motion: Judy Carnahan, Larry Derr, Charlie Hales, Matt Hennessee, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. Ron Cease and Frank Josselson voted nay. Jon Egge and Bob Shoemaker were absent. The vote was 12 ayes to 2 nays and the motion passed.

Chair Myers said that before the question of elected treasurer or auditor, he would like to work through the further detail of the concept. He said that he wanted to make sure the Committee covered everything and some of the issues were already covered. He asked if there were any additions to the powers and duties of the council. He said that the Committee does not need to refine those tonight. A draft will be constructed that will probably anticipate what the Committee understands and then it can be modified. Hearing no additions, he asked about the size of the council. He said that the council, with the chair, will be an even number. He asked if it would be better to have a council of 13 including the regional officer.

Matt Hennessee said that, in his opinion, if there is a lack of majority, whatever the motion is, fails.

Chair Myers said that it may be less important if the even number is not involved in selecting a leadership position. He said that there could be a problem if there is a tie when selecting an administrator.

Ned Look said that the proposal has language to the effect that the even number of councilors be corrected at the next census.

Charlie Hales said that will not click in for more eight years.

Ned Look said that they have lived with an even number for more than 12 years and they could continue to for the next eight.

Ray Phelps said that there will be 13 councilors in January 1993 and it would not make sense to reapportion the districts back to 12 right after the 13th is elected. He said that he would like to discuss having a larger number of councilors.

Ron Cease said that he does not think that it is a major issue. However, from the creation of this organization, people have been trying to increase the even number to an odd number. If it was left at 13, there would not need to be any redistricting. If the number was changed to 14, it would need to be reapportioned. If it can be worked out without a lot of fuss, to change the number to 14, it should be done. If it is a lot of fuss, it should be left alone.

Chair Myers said that it may be simpler to leave it the way it is. If there is a lot of comment on it, it could be reflected on again.

Ray Phelps said that the desire for an odd number was driven by Senator Otto. He said that, from his personal experience, an even number of councilors did not make that much of a problem. He said that he hardly ever remembered a tie, 6-6 vote. There was always the concern that it would happen. He said that the large size of the districts does not allow, realistically, for the conscientious councilor to try to work the territory. He said that when he proposed the 23 councilors, it was based on the idea that there would be no more than 60,000 persons in each district, which is about 1.3 times a state representative district as of 1991. He said that his objective was not necessarily to start out with 23 councilors, but to allow the gradual increase as population changes and to offer the opportunity for the council to grow in size as the population grew. If the population growth projections are correct, by the year 2000, there could easily be councilors representing 150,000. He said that he would like to see the flexibility that the Oregon Constitution gave the legislature, to establish a definite size and then allow it to grow until it became the 60 representatives and 30 senators. He asked the council to consider having larger districts because there was a lot of discussion that people do not know what Metro is and he does not see how the people are going to gain that from their councilor if their councilor represents 100,000 plus people. He said that he does not want to make a motion at this point because he is not fixed on the size specifically.

Mary Tobias said that the argument for any size is pretty compelling. She said that she had originally proposed 13 councilors, with one at large, because that is what currently exists and does not interrupt the flow of government as it exists. She said that she has heard some compelling arguments at the table today about a smaller government. She said that she had been trying to think how to make it work because a smaller elected body is easier for people to look at in the totality than the larger body. She said that it is hard to look at the legislature and know what it is as a body. She said that it is pretty easy to look at the Portland City Council or Multnomah County Commissioners and know what those bodies are. She said that she would like to put out a concept of not disrupting what is there to provide a mechanism for pulling back to a smaller group, even though there has been reapportionment. She said that it would be looking at what the regional districts look like before reapportionment when there were 12 councilors--taking those 12 council districts and turning them into six, by moving one interior boundary and leaving the two exterior boundaries with the one elected at large. She asked if that mechanism would be one that, without causing disruptions except to the existing council and without going through an expensive process of reapportionment, accomplish the same thing moving the government forward and getting the drawing back to a smaller body.

Ron Cease said that good arguments have been made for a larger council and for a smaller council. He said that Mary Tobias' suggestions makes some sense also. He said that it is a trade-off in any case. He said that he agrees that the public can see a smaller council easier and there is a sense that it is easier to manage. On the other hand, looking at the size of the districts, particularly as the area grows, there could be a population of 200,000 or more for a non-paid position. He said that it becomes unreasonable as the pieces are being put together--unpaid, the representation factor. After balancing

those who want a smaller body and those who want a larger body and the size that will have the least disruption, it makes the most sense to leave it the way it is.

Mary Tobias said that she does not have a position on size. She asked at what point do you draw the line for the number of councilors. As the region continues to grow, the number will become artificial. The region will continue to grow, but the council cannot be infinitely expanded.

Ray Phelps said that his 23 councilors idea was based on 500,000 people being added to the population within the next 20 years. He said that it is based on a factual number of 60,000.

Chair Myers said that the question of the size of the council involves competing values and trade-offs that everyone will probably resolve differently in his/her own mind. At this juncture, the Committee has talked an awful lot about it. He asked if there were any specific motions to change the concept in front of the Committee, which they adopted. Hearing none, he moved on to whether or not the council would be full time or part time. He said that this issue had been dealt with implicitly in the structure. He said that the Committee dealt with partisan/non-partisan.

John Meek said that the proposal only states that the council's pay is roughly the same as the current system.

Ned Look said that it would be better to say that it is part time.

Chair Myers said that he is not sure what is the proper way to express that in the charter. He said that, for the regional officer, there may be a way to clarify that it is full time in terms of disqualification from any other employment.

Ron Cease said that there are people who think that the council should be full time. He said that with this arrangement, that argument may not have as much merit. He said that, earlier, the Committee was worried about the politics of a full time council. He suggested that the issue be unstated in the charter and leave it up to the body to determine whether it is full time or part time and whether or not they get paid.

Motion: Matt Hennessee moved, Wes Myllenbeck seconded, that the charter provide that the regional government council is part-time.

Friendly amendment to the motion: Ray Phelps suggested, Matt Hennessee accepted, to amend the motion to include that the council chair be full-time.

Chair Myers said that there is in law a precedent, regarding the executive officer, which may need to be a corresponding provision in the charter for the council chair, which states that the executive officer may not hold any other employment.

Vote on the amended motion: Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. Bob Shoemaker was absent. All present voted aye and the motion passed.

Chair Myers asked if there were any additions to the term length provision that the Committee already adopted. The term length is four years for the council and council chair. Hearing none, he

moved on to term limitations.

Motion: Ray Phelps moved, Matt Hennessee seconded, that the charter provide that any persons elected, effective after the effective date of the charter, be permitted to serve not more than two consecutive terms.

Ray Phelps said that it would apply to anyone who is elected to represent the government in some capacity. That person may only serve two consecutive terms.

Janet Whitfield asked, if there was someone who was not up for election this time, but the charter comes into effect, would that mean that they do not have to adhere to the two term limit.

Ray Phelps said that the limitation is two consecutive full terms subsequent to the adoption of the charter.

Chair Myers said that anyone who completes a term after the adoption of the charter, will have two full terms to serve.

Ray Phelps said that his motion would anticipate that no person would be an elected official more than 10 consecutive years.

Mary Tobias asked if it precluded split terms--sitting out for a term.

Ray Phelps said no. He said that the two term limitation is the constitutional provision on the constitutional officers currently.

Ron Cease asked how it would work if someone is appointed to fill a vacancy.

Ray Phelps said that it would work the same way. He said that an appointed person cannot serve past the next general election, according to the Oregon constitution, which cannot give someone more than 10 years--two consecutive terms plus something of two years or less.

Chair Myers said that if someone was appointed to serve a portion of a term, that person would be eligible to be elected for two full terms there after.

Ray Phelps said that is correct, because the Oregon Constitution does not allow someone to be appointed to the balance of a term, it only allows a vacancy to be filled that occurs 35 days or more before a general election.

Ron Cease asked if that was true at the local level as well.

Ray Phelps said yes, it is in the constitution.

Chair Myers said that the motion, in whatever setting, has something less than a full term ahead of it, whether it be the way that the charter divides up two and four year terms for the incumbent council or due to a vacancy, the person will be able to be elected to two consecutive four year terms.

Ron Cease asked how it would apply to Rena Cusma, in terms of her transferring to the council chair. He asked if she would be eligible for two full terms.

Ray Phelps said yes.

Larry Derr asked, if someone served two terms as a councilor and then wanted to be council chair, would that person be precluded.

Ray Phelps said that is not his purpose. He said that his purpose is not to have someone continually elected to the same position. He said that the motion should apply only to the same position, not to any elected office.

Chair Myers said that it would work either way, either movement from the council to the regionally elected officer or visa versa.

Jon Egge asked if they could move council position to council position.

Ray Phelps said no.

John Meek said that he does not like a two term limitation. He said that he would rather have a set year limitation such as 12 years. He said that an eight year limitation would handicap good work because the agenda does not unfold until about the eighth year. He said that he would prefer to have a 12 year limitation. In a region this size, it will take an agenda five or six years before it can begin to unfold.

Judy Carnahan said that she realizes that term limitations are a political button and that they are very popular. She said that it is restricting the ability of people to get into a position and truly know the position--including knowledge of the position and development of the future vision. She said that eight years is not enough. She said that she is aware of how much time, energy and knowledge it takes to make good decisions. She said that she does not support term limitations. She said that she does not think the Committee is serving themselves or the people of the region well by doing something that may be popular currently.

Jon Egge said that he does not subscribe to the idea that term limits are a guarantee for good government or insurance against bad government. He said that the motion just protects the voters from their own idiocy and it is presumptuous for the Committee to do that.

Frank Josselson said that he cannot think of a good reason to restrict the voters' right to elect whomever they want for as long as they want.

Mary Tobias said that, because of the way that the system operates right now, with the existing perpetuation of the incumbent, a lot of people are being taken out of the civic training program. They see no hope of moving up into those leadership positions. She said that there is a tendency for people to look far out before they will have the ability to raise the money needed to run for a big office and then move into that position. She said that if the people knew that the councilors would rotate out, even if only for four years, it would give up and coming leaders something to shoot for.

Wes Myllenbeck said that he believes in the term limitation, mainly so that more people will serve. He said that it gives more people the opportunity to serve. He said that, after a while with the same council, new ideas and fresh approaches are needed. He said that he would not be opposed to allowing the council to serve three consecutive terms and the presiding officer serve two consecutive terms. He said that the presiding officer can usually get their agenda completed in two terms. He said that it might take others longer.

Ron Cease said that the Committee may be making more of the issue than it is worth. By in large, most of the councilors turn over more often than the provision would limit. He said that there probably is some logic to making a distinction between part time people and full time people. He said

that for full time positions, such as the council chair, a two term limit does make sense. He said that eight years at a full time job is a long time. He said that, for part time positions, eight years does not make a lot of sense.

Friendly amendment to the motion:

Ron Cease suggested, Ray Phelps and Matt Hennessee agreed, that the motion be amended to read: effective after the effective date of the charter, any council members elected would be limited to serve not more than three consecutive terms. The council chair would be limited to two consecutive terms.

Ray Phelps said that he thinks term limitation has some merit. He said that he is not an advocate of term limitation, but if the regional government is really going to try to have a motivation for a planning and visionary government, the batteries need to be recharged and that ability cannot be insulated. He said that the engagement must be activated so that someone can automatically come to a non-incumbent position in the office. He said that, on the ballot, the incumbents running for re-election have no opponents. He said that when looking at the offices that are open, due to reapportionment or retirement, there are many people running. He gave the example of Senator Glenn Otto who ran for office for many years without an opponent, but he is retiring this year and there are seven people running. He said, regarding losing some people's contributions and qualities, there are a number of advisory committees and other types of participatory processes to keep people involved.

Vote on the motion:

Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Norm Wyers, and Chair Myers voted aye. Judy Carnahan, Frank Josselson, and Mimi Urbigkeit voted nay. Bob Shoemaker was absent. The vote was 12 ayes to 3 nays and the motion passed.

Chair Myers asked if there were any qualifications for council membership that should be listed in the charter. He said that the statute provides a qualification in terms of being a qualified elector and a residency requirement of one year prior to the election for the regionally elected officer. For the council, the residency requirement is one year in the district prior to the election.

Motion:

Ray Phelps moved, Matt Hennessee seconded, to carry the qualifications of the council and regionally elected officer described in the statutes to the charter.

Vote on the motion:

Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Matt Hennessee, Frank Josselson, Ned Look, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. John Meek voted nay. Charlie Hales abstained. Bob Shoemaker was absent. The vote was 13 ayes to 1 nay with 1 abstention and the motion passed.

Chair Myers asked if there were any disqualifications for the council or council chair. He said that the only disqualification that is stated is that the current executive officer may not hold any other employment. He said that the Committee adopted a full time requirement for the regional office and may be described in the same way.

Motion:

Ray Phelps moved, Charlie Hales seconded, that the charter provide that a disqualification occurs when an elected official--councilor or council chair--runs for any other elected office, other than for their re-election.

Chair Myers asked if the candidacy itself requires resignation.

Ray Phelps said yes. For example, if someone is a councilor and wants to run for city commissioner, that person would have to resign in order to run for that office. He said that it applies to those running in mid-term.

Janet Whitfield asked if it would be permissible, if the chair position was open, for a councilor to run for that seat.

Ray Phelps said that the person could run, but he/she would have to resign.

John Meek said that he opposes the motion. He said that one of the aspects the Committee has discussed is getting the issues out on the table before the public. He said that an elected process is the greatest way to lay out the factors and what the frictions will be. He said that someone should not have to resign if he/she decides to run against someone else, regardless of the reason. He said that he does not agree with taking the person out of a seat where that person could have otherwise been making an impact.

Matt Hennessee said that he has no opinion on this motion. He asked for the rationale behind the motion. He asked if it was a question of compromising the body that the person was elected to and therefore not representing it as well if you are focused on winning another office.

Ray Phelps said that when one person holds an office that may affect you and runs for another office that may affect you, there is the opportunity for that individual to blackmail you for support of the other position while he/she sits in a process that affects you, and if he/she fails to get elected, will significantly affect you if you do not support them. He said that, often times, the support is conditional. He said that if the government is going to do the kinds of things the Committee wants it to do, he does not want someone sitting on the council dealing with issues while he/she is leveraging opportunities to run for something else. He said that it goes on.

Ron Cease said that there are times when, in a system where there is not a limitation, it is a vehicle. On the other hand, there needs to be a distinction between part-time and full-time. He said that he sees no reason why a part-time council person should not be allowed to run for another office without resigning. He said that what would happen is that the person would do everything possible to run for the other office, but do not formally announce that he/she is going to do that until he/she absolutely has to do it. He said that it creates hypocrisy. He said that if turn-over is desired, then they should not be discouraged from running for other offices.

Larry Derr said that he does not have a position on the issue. He said that it should not apply to someone in a Metro office running for a different Metro office--the council member running for council chair.

Ray Phelps said that is really not what he was talking about.

Jon Egge asked Ron Cease if he supported the motion for a full-time officer.

Ron Cease said that a better argument can be made for a full time officer. He said that when the distinction is made that only certain things apply to full-time and other things to part-time, the concept is lost. It either stands by itself in all circumstances or it does not. He said that it creates enough problems that it falls when looking at all the pieces.

Vote on the motion: Charlie Hales, Wes Myllenbeck, and Ray Phelps voted aye. Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Mimi Urbigkeit, Norm Wyers, and

Chair Myers voted nay. Mary Tobias abstained. Bob Shoemaker was absent. The vote was 3 ayes, 11 nays, and one abstention and the motion failed.

Mary Tobias asked if the charter will speak to being able to remove people for malfeasance.

Chair Myers said that there will be a recall provision.

Mary Tobias said that the charter can speak to the issue of the council itself being able to remove for malfeasance. She said that recall petitions are pretty destructive. If the charter can address those issues in a way that is equitable to the electorate and the council, it ought to.

Ray Phelps said that he would not support it. He said that the general provisions of ORS 236 deal with how to remove a person from office. He said that it is hard to maintain a harmonious relationship if 13 people are trying to figure out how to remove one.

Mary Tobias said that it should not be a really broad authority. She said that if a councilor is arrested for murder and mayhem, she would rather that person not sit on the government.

Chair Myers said that research will be done and it will be left as a pending question.

Judy Carnahan asked if there is currently any statement prohibiting persons from directly profiting financially from holding office.

Frank Josselson said that there is the state ethics law.

John Meek asked if someone is convicted of a crime, does that person have to automatically resign. He said that he does not like recalls done for willy-nilly purposes, but in Oregon recalls have functioned well. He said that he can only recall a few where it was done maliciously and succeeded, which is unfortunate. He said that he is not sure that it can be adequately stated in the charter without a great deal of time and apprehension.

Matt Hennessee said that he has seen charters that specifically mention that if a person holding office is convicted of a felony, then that person can no longer hold office. He said that some research should be done on it and brought back to the Committee.

Chair Myers said that it will be done.

Ray Phelps asked if there was a suggestion that there be some kind of criteria set down for recall.

Chair Myers said no. He said that what was being considered was whether there might be certain circumstances described which might, in among themselves, act to remove a person from office. He asked for suggestions on how to address vacancies.

Motion:

Ray Phelps moved, Norm Wyers seconded, that the charter provide that vacancies in the office of council chair be filled by special election and vacancies in the office of council be filled by a majority vote of the council.

John Meek asked who would lead the government during the interim between the vacancy and the election.

Ray Phelps said that the vice chair of the council would function as the council chair until one is

elected.

Friendly amendment to the motion:

Ray Phelps amended the motion to add that the vice chair of the council would function as council chair until such time as a council chair is elected.

John Meek asked if the council was being called to set a special election or if it would be held at the next primary or general election.

Ray Phelps said that it would be a special election held within a defined period of time.

John Meek asked if the number of days would be specified for a special election to be held.

Ray Phelps said that ORS 250 or ORS 251 provides that a vacancy occurring so many days before a regularly scheduled election would be filled at the general election, or if it occurs at a longer time than a regularly scheduled election, there would be a special election. He said that his objective is to have someone elected to be council chair rather than have the council select a replacement.

John Meek said that there should be an adequate time between the time that the vacancy occurs and the time of the election.

Ray Phelps said that he would think 70 to 90 days would be adequate, unless there was a regularly scheduled election for which there would also need to be a sufficient amount of time.

John Meek asked if the vacancy in the special election take the new council chair to the end of the vacancy term or is the person elected to a new four year term.

Ray Phelps said that it could be done either way--it is up to the Committee. He said that the position is not like it is part of a collective group where there are staggered terms for carry over. The chair does not have a need for continuity so someone could be elected to a full four year term at the special election.

Charlie Hales suggested that the election to fill the vacancy should be held at the next primary or general election. He said that the voter turnout would be low if it was held at a special election. He asked how to get voter turnout for a special election just for Metro council chair.

Ray Phelps said that mail ballots could be used which tend to get very high voter turnout.

Ron Cease asked what the current arrangement is.

Ray Phelps said that the council would appoint someone and an election would occur at the next general election.

Ron Cease said that a vote by mail ballot can increase the vote, but it would not necessarily result in a large turnout. He said that if there are several candidates running--and presuming that there would only be one, not two--at a special election, one person will probably get a plurality, but not necessarily the majority. He said that it will be expensive. He said that, democratically, it is the right thing to do, but, looking at the limits of it, it creates a problem. He said that it would be better to use the current form, where there is an appointment, until the next general or primary election.

Frank Josselson said that a vice chair is provided for in the structure. He said that the historic function of the vice chair is to fill in during the disability or absence of the chair. He said that it does

not make a lot of sense to go to the expense of a special election, and contract the campaigning period and the opportunity for people to run for office when, there is someone who the council appointed who, by virtue of that fact alone, would be qualified to fill in, at least for the time being.

Mary Tobias said that it would be best to have whoever, by whatever mechanism the Committee decides, is put in the council chair seat serve out the remaining portion of the term and not begin a new four year term. She said that it does not do a lot of good to bump people around all the time. She said that the person will not be elected by the electorate and it does give the person the power of the incumbency, but it does keep the government moving along. Whoever is selected by whatever way the Committee decides--special election or appointment by the council--should serve the remainder of the term.

Matt Hennessee said that he is concerned about the Committee making a very important decision without more thought given to the process. He said that if the vacancy would not be filled until the next primary or general election, there is a person who has taken on the role of council vice chair, recognizing that he/she may have another job because the position is part-time, and has been imposed with a full-time job. He said that he does not know how that will play out. He said that those decisions need to be made when it occurs and he is a little concerned about the Committee going too quickly to say whether it should be within 90 days as opposed to the next primary election.

Ron Cease said that, assuming that there is an appointment, the council has to be free to make that appointment. The issue of full-time or part-time does come into play. He said that it could be filled by appointment until the next election for the remainder of the term. He said that someone should not be appointed to fill a three and a half year term.

Ray Phelps said that he has seen too many times where the mechanism of filling a vacancy is really an orchestration or a staging to hand pick the next person. He said that it happens many times in legislative, county commission, and county judge positions. He said it is frustrating for people because there is an incumbent who did not have the benefit of the election and who may have as much as a year and a half to run off the opposition. He said that people get irritated about that, which is why there sometimes would be a condition precedent in the appointment of an attorney general on the stipulation that he/she would not run. Rather than try to construct that type of situation, he said that he would like to see the Committee not construct another kind of situation where the selection of a council chairperson be subject to a manipulative process. He said that he would rather encourage an elective process rather than a selective one.

John Meek said that the examples given by Ray Phelps are usually ones where there are two people making the selection decision, but when dealing with a council of 13, the chances have greatly diminished that they will pick the next figurehead. He said that there would have to be a vote at the next primary election, so the most the appointed person would probably be in office would be a year.

Ray Phelps said that there is nothing magic about the primary election. He said that he has seen many incumbents resign five days prior to the last day for someone to get on the ballot and the person he/she would hand select as five days to get on the ballot. He said that is a manipulation of the process and it happens all the time in the state.

Charlie Hales said that neither process is perfect. He said that there is a provision in the Portland charter for special elections and it has not necessarily produced stellar results in every case.

Ray Phelps suggested that the Committee think about it more. He withdrew his motion.

Chair Myers said that the Committee would come back to the issue after the draft is written.

Judy Carnahan asked if state law has changed so that a position like a Metro position could actually be voted on by mail.

Ray Phelps said that vote by mail is not permitted for general or primary elections. It can be used for any positions in a special elections.

Chair Myers said that the next issue is staggered terms for the council. He said that he assumed that the Committee would want the charter to state that only half of the council would running in each election year.

Wes Myllenbeck said that the point is mute since the council is remaining at 13 and the terms are staggered now.

Chair Myers said that is correct.

Motion: Ron Cease moved, Judy Carnahan seconded, that the charter provide for reapportionment at the end of every census.

Vote on the motion: Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. Bob Shoemaker was absent. All present voted aye and the motion passed.

Chair Myers said that the next area is the regionally elected person. He said that a different title will need to be worked out. He said that the Committee had already dealt with powers and duties, compensation, full-time/part-time, veto, vote on the council, partisan/non-partisan, term length, term limitation, qualifications, disqualifications, and vacancy.

Matt Hennessee said that the Committee had not dealt with veto.

Chair Myers said that it is not in the proposal now. He said that if a member wants to add it, now is the time to do it. He asked for any additions to the regionally elected official.

Motion: John Meek moved, Frank Josselson seconded, that the regionally elected person and council be elected by 50% plus one of the vote.

Vote on the motion: Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. Bob Shoemaker was absent. All present voted aye and the motion passed.

Chair Myers moved on to the administrative officer. He said that the Committee has decided on the appointment, duties, responsibilities, and removal. He asked if there were other areas that needed to be addressed.

Ned Look said that the pay for the council chair and council have been dealt with, but the proposal is mute on the amount of pay for the administrative officer. He said that it should be dealt with.

Matt Hennessee said that the chief administrative officer is not an elected position so that decision should be left to the council as a budgetary matter. He said that the charter should remain silent on

the issue.

Ned Look said that he wants to mention in the charter that the pay will be determined by the council. He said that since it is mentioned in the other two areas, it should be mentioned here also.

Chair Myers said that the question may be whether there needs to be or not some reference under the powers of the council to establish compensation for employees of the government. He said that it may or may not be necessary from the charter standpoint. He said that it goes beyond this one office. He asked for issues regarding other elected appointed officers--treasurer, auditor.

Motion: Ray Phelps moved, Matt Hennessee seconded, that the charter provide that the council may, by ordinance, establish the elected office of auditor.

Matt Hennessee said that he understood the motion to be permissive.

Chair Myers asked if Ray Phelps would be amenable to allowing the council to determine the method of selection. He asked if it had to be an elected position.

Ray Phelps said that they may hire anyone they choose under their prerogative under the new scenario. He said that nothing that he has proposed would make that impossible. He said that his concern is that if they create an elected office, there might have to be a charter amendment. He said that he is trying to forestall that process by simply providing, in the charter, the authority for the council when and if it chooses to do so to create an elected office by ordinance and have the charter authority to do it.

Chair Myers said that he was concerned that Ray Phelps was purporting to say that they could only have an auditor in the context of having an elected office.

Ray Phelps said no. He said that he is trying to side step the issue of having an elected auditor. He said that, eventually, he thinks it will be desirable.

John Meek said that he would support an elected auditor.

Larry Derr said that one of the reasons Ray Phelps gave for having an elected person was so that the council cannot second guess the result of an audit. If the council could create the position by ordinance, presumably they could uncreate it and achieve the same purpose.

Ray Phelps said that he believes that after it has been created, it would be almost politically impossible to eliminate it, just as it is politically impossible to eliminate the elected office of State Attorney General even though the state could do so any time they choose.

Ron Cease said that he is bothered by the idea of electing the auditor. He said that he does not like leaving the question of what kind of auditor it should be up to the council. He said that ought to be a charter arrangement. He said that he would feel more comfortable if there was a provision providing for an appointed auditor with required qualifications and various mechanisms to make that person as independent as possible.

Mary Tobias said that she agrees with Ray Phelps regarding the flexibility. She said that it is one of those situations where the Committee cannot see into the future. The Committee has no idea what the council will face over time or what the electorate would want. If the charter provides the flexibility for choice of audit, it is a service to the district. She said that she is interested in the Committee being much more precise in calling for continual review of the performance of services and duties subscribed

to in the charter as a policy of the region.

Chair Myers asked if it is possible to couple in the charter a good government provision that deals with a requirement to assure auditing on executed transactions and auditing of government performance. The charter could state that, within that larger mandate, the government may establish the position of an auditor to be selected by election or as the council otherwise provides.

Charlie Hales said that he does not have as much of a problem with the construct that Chair Myers proposed. He said that he would rather have the charter be more specific about the auditing requirements and not open the door to an elected auditor. He said that electing a technical obscure office on a regional basis is a bad idea. He gave the example of an elected surveyor in Clackamas County.

Chair Myers said that it ought to be quite clear, unless the Committee wants to prohibit the council from doing it by election, that the council may provide for selection by other than election.

Motion: Frank Josselson moved, Matt Hennessee seconded, to terminate discussion and vote on the motion.

Vote on the motion: Larry Derr, Charlie Hales, Matt Hennessee, Frank Josselson, Mimi Urbigkeit, and Norm Wyers voted aye. Judy Carnahan, Ron Cease, Jon Egge, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, and Chair Myers voted nay. Bob Shoemaker was absent. The vote was 6 ayes to 9 nays and the motion failed.

John Meek said that the government is getting large enough that the charter should state that there be an elected auditor with minimum requirements set for the position so that there is a person who is capable and trained in auditing.

Amendment to the motion: John Meek suggested, Ray Phelps and Matt Hennessee agreed to amend the motion to state that the charter provide for an elected auditor with minimum requirements and qualifications for the position.

Jon Egge said that he agrees with Charlie Hales' statement about electing a technical person. He said that the Committee ought to be very careful about having specific requirements in the charter about the auditor function.

Wes Myllenbeck said that he worked with an elected auditor and his firm does auditing. In Washington County, which has a charter requirement for an elected auditor, it has been a farce. The board had no respect for the person and would not give him any money. The auditor got too familiar with the way that things worked. An auditor is someone coming in from the outside that has to learn the whole thing to make an objective statement. It cannot be done if the person is there year after year after year.

Ray Phelps said that the qualifications are an issue that he would like to discuss more thoroughly at another time. He said that special qualifications should not be created. He said that the attorney general of Oregon does not have to be an attorney. He said that the value of the elected auditor is the threshold to engage the inspection and survey of the performance and operation of the government. The horsepower can be internal or the auditor can hire externally to get that. He said that he would like to see the circumstance where, fiscally, you try to control the charter authority of the auditor to audit. He said that he supports John Meek's amendment.

Charlie Hales said that he has dealt with an obscure technical office in Clackamas County that is an elected, full-time paid position and there is an incompetent person in that office. He said that no one but about 25 people care about the position. He said that the same thing could happen with Metro. Although the audit function is of general interest to the general public, very few people would care enough to get involved in a political campaign to replace an incompetent auditor for Metro. He said that it is a dangerous idea to elect someone to an office like this.

John Meek said that he would put more faith in the voters on a regional standpoint and the budget that they are looking at. He said that the pressure put on the budgeting process from the administration--the aspect that there is someone elected to oversee that--is one of the best accounting aspects. If there is a incompetent auditor, people need to speak up to get the person out of office. He said that the dollars saved by the taxpayers for the investment in an elected auditor is worth it.

Vote on the amended motion: Judy Carnahan, Matt Hennessee, John Meek, and Ray Phelps voted aye. Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Frank Josselson, Ned Look, Wes Myllenbeck, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted nay. Bob Shoemaker was absent. The vote was 4 ayes to 11 nays and the motion failed.

Chair Myers said that the auditor issue should be allowed to become just synonymous with the question of election. He said that the issue of election has submerged the bigger question of the importance of a controller function in the government that has gotten as large as this one has. He said that the Committee should come back to the issue at the charter drafting stage. He said that the final item is initiative, referendum, and recall.

Motion: Mary Tobias moved, Ray Phelps seconded to carry into the charter the statutory provisions regarding initiative, referendum and recall.

Vote on the motion: Judy Carnahan, Ron Cease, Larry Derr, Jon Egge, Charlie Hales, Matt Hennessee, Frank Josselson, Ned Look, John Meek, Wes Myllenbeck, Ray Phelps, Mary Tobias, Mimi Urbigkeit, Norm Wyers, and Chair Myers voted aye. Bob Shoemaker was absent. All present voted aye and the motion passed.

Larry Derr asked that it be researched whether or not the initiative, referendum, and recall statutory provisions can be in the charter.

Chair Myers adjourned the meeting at 10:25 p.m.

Respectfully submitted,



Kimi Iboshi
Committee Clerk

Reviewed by,



Janet Whitfield
Committee Administrator

Materials following this page represent
Attachments to the Public Record

April 28, 1992

GRESHAM AREA CHAMBER OF COMMERCE
PUBLIC AFFAIRS COUNCIL

POSITION STATEMENT: METRO HOME RULE CHARTER

The Public Affairs Council and the Board of Directors of the Gresham Area Chamber of Commerce submit the following findings into the process for determining a Home Rule Charter document for the Metropolitan Service District:

1. Metro should have a limited, not a general, form of government. This government should exist to do regional planning and be discouraged from providing any new or additional services.
2. The funding source necessary to support this limited form of government must be identified prior to an initiative effort. The ballot measure should include both the Home Rule Charter language and the preferred funding vehicle.
3. It is our considered opinion that the charter committee recommend a council/manager form of government. The council to consist of 7-9 persons, elected from geographic districts of equal population size; and that once elected, they appoint/hire a salaried manager. Our council took no position on whether the elected commissioners should receive a salary.



CITY OF
PORTLAND, OREGON

OFFICE OF CITY AUDITOR

Barbara Clark, City Auditor
1220 S.W. 5th, Rm. 202
Portland, Oregon 97204
(503) 248-4078

May 20, 1992

Hardy Myers, Chairman
METRO Charter Committee
P.O. Box 9236
Portland OR 97207

Dear Hardy,

Lately I have received new information and would like to amend my testimony on the METRO auditor to favor more emphatically that the auditor be elected at large, with professional qualifications required for filing and continuing education while in office.

Jewel Lansing has been doing auditor training all over the country since leaving office, and she has noticed higher quality work by the auditors who are elected, as well as much better credibility for the auditors' recommendations. She says, "Actually, the appointment process can be much more political than an election," and I concur.

Model charter language has already been developed by the Intergovernmental Audit Forum and the National Association of Local Government Auditors, and has been in successful use by many local jurisdictions including the City of Portland.

I further believe an elected auditor would enhance the new charter's appeal to the voters.

Keep up the good work!

Barbara Clark

Barbara Clark, CPA

cc: all Charter Committee members

Jewel Lansing
Certified Public Accountant
3333 SW Arnold
Portland, OR 97219
503-246-6022

June 8, 1992

Metro Charter Committee
c/o Hardy Myers, Chair
P.O. Box 9236
Portland, OR 97207

Re: *Elected vs. Appointed Auditor*

Dear Charter Committee Members,

I am pleased that your working Metro charter includes the concept of an auditor. I urge you to make that position elective, to require that the auditor be either a certified public accountant or certified internal auditor, and to provide for compensation at a specified level (such as the four-fifths of a District Court judge's salary provided for in the Washington County and Multnomah County charters.) A charter provision such as that in the Portland City Charter that the elected auditor can not run for any other City office without first resigning as auditor would also be a good idea.

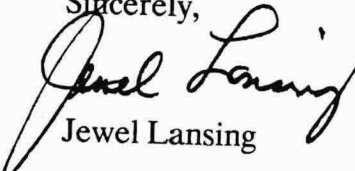
Local government auditing has grown substantially nationwide during the past eighteen years. I instituted performance auditing in Multnomah County in 1975, where I served eight years, and at the City of Portland in 1983, where I served four years. The function more than paid for itself. I am presently an adjunct professor for performance auditing at Lewis and Clark Graduate School of Public Administration. I conducted a national survey about local government auditing in 1983 and have participated in national audit organizations for the past eighteen years. Enclosed are excerpts from a 1983 Citizens' Task Force report which examined the role of an elected auditor at considerable length.

The best way to assure an independent, healthy audit function at the local level is to provide authority for performance auditing in the charter document and to make the position elective, with adequate compensation provided so qualified persons will run. An elected auditor would help assure accountability, help provide a system of adequate checks and balances, provide recommendations for improvements and provide an independent source of objective information to the public as well as Metro managers and officials.

The audit selection process becomes a political football with an appointed auditor. Appointed auditors, whether reporting to the council or the executive branch, usually end up being "errand boys" and "errand girls" for the person or committee they report to. Which council members are appointed to the audit committee becomes a political matter, and the auditor has to spend a lot of time keeping committee members happy. Some appointed auditors are silenced when someone in the organization is not happy with their audit findings.

I would be available to testify, if you wish, at your June 25 hearing, but will be out of town on June 29 and 30.

Sincerely,



Jewel Lansing

Enc.

cc: Metro Charter Committee members
Elected County Auditors & City Auditor

Portland City Auditor's
Citizens' Task Force Report
October 25, 1983

EXECUTIVE SUMMARY
CONCLUSIONS AND RECOMMENDATIONS

1. The benefits of an elected and independent City Auditor are clear to the Task Force. These include needed checks and balances in our commission form of government, accountability for use of public resources, access to information for all Council members and the public, and reports to the Council and public as to whether the City's programs are performing as originally intended. (See Section D.4 of this report).
2. Performance auditing is a function essential to the City of Portland, and it should be performed by the Portland City Auditor. (See Sections D.2 and E of this report).
3. Information Systems auditing (data processing) is a necessary component of modern auditing practices. Proper equipment, personnel and access should be provided to the City Auditor. (See Sections C.4, D.3 and E of this report).
4. Under the present Charter, the accounting system must be controlled by the Auditor as the chief accounting officer of the City. (See Charter §§ 2-505 and 2-506, Appendix IX). At present the accounting system is supervised by the Office of Fiscal Administration. This is a result of a delegation made by the previous Auditor. We see three choices: (a) comply with the Charter and transfer the accounting system back to the Auditor; (b) change the Charter; or (c) confirm the delegation on an annual basis. (See Sections D.6, D.7, F.2 and Conclusions section of this report).
5. While the Charter is clear as to the Auditor's authority to control the accounting function, as a practical matter we are aware of no uncorrected deficiencies in the present Accounting Division under the Office of Fiscal Administration. (See Section D.7 of this report).
6. While at the time of the original Charter's drafting auditors tended to be bookkeepers, modern professional standards provide a distinction between accounting and auditing and recommend that these functions be separate. Until changes are made in the Charter and performance auditing is tested by the Council, the Auditor should confirm in writing to the Council on a year-to-year basis the delegation of authority made by the present Auditor's predecessor which resulted in the accounting

Portland City Auditor's
Citizens' Task Force Report
October 25, 1983

INTRODUCTION AND BACKGROUND

Newly elected City Auditor, Jewel Lansing, appointed a Citizens Task Force to make recommendations to her regarding proper structure and functioning of the Auditor's Office. (See charge, Appendix I). The Committee was appointed in January of 1983 and has met 19 times over a ten-month period.

The Task Force consists of ten professional and lay people with skills in the areas reviewed by the Task Force and with familiarity with the government of the City of Portland. Richard Botteri is a lawyer with extensive volunteer service to local government, and Clifford Carlsen, Jr., is a lawyer and former acting city attorney for Portland. Tanya Collier, another Task Force member, has been Director of Intergovernmental Relations for Multnomah County and is quite familiar with the legislative process. Ross M. Hall is a Certified Public Accountant and several years ago was a candidate for the position of City Auditor. Joe Kershner is both a lawyer and a CPA, and he was Chair of the Advisory Committee to the Multnomah County Auditor. Wanda Mays, a community affairs leader, has served as a volunteer in many local government positions. Kathleen Peasley is a CPA who presently serves as Controller for the Port of Portland. Nancy Rangila is an investment professional and currently manager of Franklin Securities, Inc., a subsidiary of Benjamin Franklin Federal Savings and Loan. Robert Scanlan is the Resident Manager of the real estate firm, Coldwell Banker. Steven R. Schell, the Chair of the Task Force, is a lawyer in private practice.

Several techniques were used in Task Force fact-finding. First, we interviewed professionals, City elected officials as well as appropriate current and former City employees (See list, Appendix IV). In addition we completed a nationwide survey of local government auditing functions. (See Appendix V). We also formed subcommittees that did research and made recommendations to the Task Force.

The position of City Auditor was created as an elective office by the City Charter in 1864. By Charter the Auditor is responsible for accounting and clerical functions of the City and is required to hold the qualifications of an expert accountant. Additionally, our Committee operated under the assumption that the purpose of an elected Auditor was to be accountable to the public for public funds. In the process of fact-finding, we focused on the provisions of the City Charter and the current organization of the City's accounting and auditing functions.

OPERATIONS AUDITING

Auditor Budget Presentation to Council on April 18, 1983

By

Steve Schell, Chair
Auditor's Citizens Advisory Task Force

Council Members:

The purpose of this presentation is to urge you to reinsert in the budget one proposal of the Auditor, namely: Operations Auditing (IA-3). This package would cost \$141,700. It would provide four performance auditors and one word-processing operator and would be started on November 1, 1983.

This is a very difficult budget time for the City. You have to choose between competing priority items and the choices are difficult. However, such a choice should be made not just with a view to the short run, but with a view to the longer run, namely: the capability of saving money both in this budget year and future budget years. Operations Auditing can and will do that for the City. An example of what can be done is found in the 1982 Audit Reports done by Jewel Lansing when she was Auditor at Multnomah County. As the attached sheet shows, more than \$462,000 in actual increased revenues resulted from one of the audits conducted and hundreds of thousands of dollars of projected savings readily could be seen from another four audits dealing with fleet management and maintenance, road maintenance, contracting and central storage functions and public safety. These results are possible in Portland, whether they be in the form of increased revenues or increased savings.

Recognizing that all of you have management responsibilities, the mark of good managers has to be whether they use tools available to increase the effectiveness of their operations. One tool is performance results or Operations Auditing. A failure to use this tool may leave Portlanders with a sense that management in City Hall is not as good as it could be.

Certainly, another way to be an effective manager is to ask for help from the outside in looking at one's systems to determine their effectiveness. While the external CPAs provide some help to City government, their scale of audit is at such a level that they are not able to deal with specific details and provide pointed suggestions like an internal operations audit would.

Finally, in making a budget decision regarding Operations Auditing, I urge you to be sensitive to the public's perception of the need for "checks and balances." Notwithstanding how the audit functions have been conducted in the past, there is a clear public perception, which we have identified in informal conversations and ad hoc studies, that the City of Portland's Auditor is responsible for evaluating operations and checking on program results. In short, the citizens of Portland expect their government to have that function. It does not have that function in any formal way now.

Solving the problem will lead to a series of additional efforts and initiatives which Jewel Lansing and the Operations Auditing staff will need to perform. They will need to gain your respect and cooperation regarding how audits are selected and conducted. They will need to gain the respect of bureau

APPENDIX III.

Page 2 of 3

Steve Schell's Budget Presentation to Council on April 18, 1983
Page 2

heads; they will need to prepare effective reports which you can use, both in managing the bureaus and in budgeting. These problems are worth every ounce of the effort that will go into solving them because they will result in bottom-line savings, both to the taxpayer and to the City of Portland.

COST SAVINGS AND INCREASED REVENUE
IDENTIFIED IN 1982 AUDIT REPORTS

Issued by Multnomah County Auditor*

REPORT	RECOMM. #	RECOMM. DESCRIPTION	PROJ. SAVINGS/ REVENUE	ACTUAL SAVINGS/ REVENUE	COMMENT
IAR #1-82 District Court Parking Tag Collection System	1	Take Administrative steps to increase parking tag collection rate.		\$462,807 above projected parking tag revenue in 1981-82. **	The District Court mailed out warning notices in response to the audit, resulting in increased revenue.
IAR #2-12 Fleet Management and Maintenance	1	Reduce fleet size by 30 cars. Terminate 9 leases of veh. " " " " " Employees drive County cars instead of reimbursed.	\$180,000 OTD 54,000 OTD 16,000 Annu. 17,000 Annu.		
IAR #4-82 Road Maintenance	1 2 5 7	Alter road paving contract procedures. Charge utility companies a fee for road cut permits. Buy traffic control signs from the private sector. Improve billing procedures.	\$250,000 Annu. 50,000 Annu.) 33,000 Annu.) 7,600 + Annu.)	-----	Recomm. in process of being implemented for 1983-84 contracts. In Feb. 1983 County Commissioners approved an ordinance which provides for this fee.
IAR #5-82 Contracting and Central Stores Function	4	Obtain volume discounts.	\$ 7,000 Annu.		Typewriter repairs only.
IAR #6-82 Public Safety	1 2	Seek adoption of law to allow use of affidavits in traffic infraction cases. Negotiate with Sheriff's union to reduce court overtime pay minimum.	\$ 25,000 Annu. 35,000 to 50,000 Annu.		Adopted in County's 1983 legislative package.

* These cost savings/revenue figures do not reflect all possible savings from implementing audit recommendation; only those which were quantified in the report.

** \$2,112,807 actual receipts per FMS (Marjorie Robertson, County Finance)

1,650,000 projected receipts per 1981-82 Adopted Budget, p. B-18

\$ 462,807 above projection

function being transferred from the Auditor's office to the Office of Fiscal Administration. This delegation should be revoked if there is any material mismanagement of the function, in the opinion of the Auditor. (See Sections A.2, A.3, D.6, D.7 and Conclusions of this report).

7. We advocate that the distinction between accounting and auditing be recognized by changes in the Portland City Charter (to be placed on the ballot by the City Council on the May, 1986 primary ballot) which would:
 - a. Expressly assign broad scope auditing authority to the City Auditor, including information systems and other auditing functions along with sufficient staff and funding in the Auditor's office as well as guaranteed access to accomplish those functions.
 - b. Separate by Charter the accounting and auditing functions of the City with the auditing functions to remain with the Auditor. (See Section F.2 of this report).
8. Prior to the May 1986 election, the Auditor should study and recommend whether the Council Clerk, depository and pension fund secretary functions be changed. (See Section A.9 of this report).
9. Certain housekeeping Charter changes should be placed on the ballot by the City Council for vote in the May, 1984 election:
 - a. Require as a qualification that the City Auditor be either a Certified Public Accountant (CPA) or Certified Internal Auditor (CIA) rather than "expert accountant", as the Charter now provides; and
 - b. Amend the Charter so that the Auditor's signature is not required on bonds, to conform the Charter to recent federal and state legislation which eliminates coupon bonds and requires all government bonds to be registered; and
 - c. Require use of terms in the Charter which are neither masculine nor feminine, and authorize the City Auditor and City Attorney to make such changes in the Charter. (See Section F.1 of this report).



GARY BLACKMER
COUNTY AUDITOR
1021 SW 4TH AVENUE, ROOM 136
PORTLAND, OR 97204
(503) 248-3320

MULTNOMAH COUNTY OREGON

June 18, 1992

Metro Charter Committee
c/o Hardy Myers, Chair
P.O. Box 9236
Portland, Oregon 97207

Dear Charter Committee Members:

I'd like to comment on two important issues involving an audit function in the Metro Charter.

Certification Requirement

I support a certification requirement because it is an indication of ability. I don't think that a certificate is a guarantee of an effective auditor, but it can provide greater assurance that the candidate possesses the training and experience to accomplish his or her responsibilities. Although the training for the Certified Public Accountant and Certified Internal Auditor is more oriented to business, many of the methods and standards are also pertinent in a government setting. The public's expectation for the office in Multnomah County was clearly spelled out in November 1989 when 71% of the voters approved the certification requirement. (I think that eventually there will be a corresponding "Certified Government Auditor," which could be added to the Charter language.)

Elected or Appointed Office

I support an elected position for many reasons. My two primary reasons are that the office should be answerable to the public, and the office should carry the authority and independence to investigate challenging issues.

Citizens expect the Auditor to watch over spending, looking for efficiencies. The investment in that Office should return to the public some dividends in the form of savings and better services. In Multnomah County, the Auditor's Office expenditures are about 1/10th of 1% of the total County budget. While we only review a small part of the other 99.9% of County expenditures each year, we identify savings and service improvements that easily exceed the costs of the office.

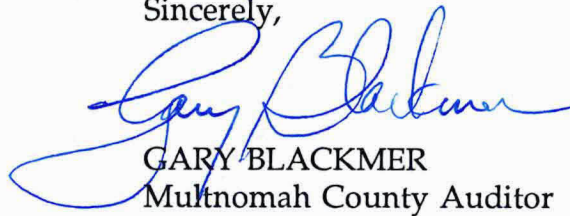
To accomplish this, an auditor must raise questions that challenge the agency's assumptions and methods. An elected auditor is more immune to

the organizational pressures that can bear down on the person whose duties are viewed as unpopular. An appointed auditor runs the risk of becoming an "insider" over time, placing a greater value on organizational harmony than on significant audit results.

Model Legislation

I have attached several pages from the recently released "Guidelines and Model Authorizing Legislation for Local Government Audit Functions" which lists other issues you may be considering. If you are interested, I can obtain a copy of the report for your committee.

Sincerely,



GARY BLACKMER
Multnomah County Auditor

GUIDELINES AND MODEL AUTHORIZING LEGISLATION FOR LOCAL GOVERNMENT AUDIT FUNCTIONS

By The

NATIONAL ASSOCIATION OF LOCAL GOVERNMENT AUDITORS

The National Association of Local Government Auditor's believes that audits of local government programs, functions, activities and organizations are essential. These audits help ensure that local governments are 1) operating in accordance with laws, rules, regulations and policies; 2) responding to citizen needs; and 3) functioning economically, efficiently and effectively.

Local governmental managers are responsible for designing and implementing effective internal controls to ensure that assets are safeguarded, records are reliable, reports on operations are sufficient and fairly presented, fraud, waste and abuse are deterred, and programs, functions, and activities are conducted economically, efficiently and effectively.

Local government auditing should provide an independent and objective evaluation of management's internal controls, policies and procedures. By independently reviewing and reporting on programs, functions, activities and organizations, and by conducting or causing to be conducted independent audits of financial statements, auditors provide the public, elected officials and management with a fair, objective and reliable assessment of local government performance.

Local auditors can also make other contributions such as recommending improvements in organizational structure, accounting procedures and management control systems and operations. Auditing is especially important in local government because:

- 1. Unlike the private sector, profit cannot be used readily as a key indicator of performance in government. Other measures of governmental efficiency, economy and effectiveness are needed.*
- 2. Governments must function in compliance with laws, policies and established procedures while exercising good judgment in their stewardship of finite resources and following sound management principles.*

Accordingly, all governmental units should be subjected to periodic audits by independent auditors as defined by generally accepted government auditing standards. A federal, state or local auditor or a public accounting firm which is independent of the subject governmental entity may perform the work.

It is important that the audit function be organized and structured to make the greatest possible contribution to economical, efficient and effective government that is conducted in accordance with legislative and management directives.

We, therefore, endorse the following guidelines for establishing the audit function in local governmental entities.

NALGA

*Board of Directors
PO Box 25621
Portland, OR 97225*

GUIDELINES FOR ESTABLISHING AUDIT FUNCTIONS

Local government charters, ordinances or policy statements establishing an independent audit function (either legislative/appointed or elected) should:

- 1. Provide for an "independent" auditor either through election or appointment by the legislative body or chief executive officer. Appointments should be made for a specified period, ideally, for an extended term, which is longer than the terms of elected legislative officials. Appointment or removal of an appointed auditor by a chief executive officer should be subject to legislative approval.*
- 2. Authorize the auditor to conduct financial and performance type audits in accordance with government auditing standards:*
 - a. Financial audits include financial statement and financial related audits.*
 - (1) Financial statement audits determine (a) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (b) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statement.*
 - (2) Financial related audits include determining (a) whether financial reports and related items, such as elements, accounts, or funds are fairly presented, (b) whether financial information is presented in accordance with established or stated criteria, and (c) whether the entity has adhered to specific financial compliance requirements.*
 - b. Performance audits include economy and efficiency and program audits.*
 - (1) Economy and efficiency audits include determining (a) whether the entity is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently, (b) the causes of inefficiencies or uneconomical practices, and (c) whether the entity has complied with laws and regulations concerning matters of economy and efficiency.*
 - (2) Program audits include determining (a) the extent to which the desired results or benefits established by the legislature or other authorizing body are being achieved, (b) the effectiveness of organizations, programs, activities, or functions, and (c) whether the entity has complied with laws and regulations applicable to the program.*

3. *Require a written report containing relevant background information, findings and recommendations regarding audited activities.*
4. *Assure that the auditor has full, free and unrestricted access to local government employees, officials, records and reports.*
5. *Establish an audit committee at the local level to be responsible for review of the auditor's work concerning financial and performance type audits. The committee should also work to assure maximum coordination between the work of the auditor and the audit needs of the chief executive officer and/or the legislative body. (It may be desirable that the majority of the committee consist of non-elected citizens.)*
6. *Assign the auditor responsibility to coordinate and monitor all auditing within the local government entity including those performed by public accountants or audit organizations of the entity and its subdivisions.*
7. *Negate the influence of partisan politics on the selection and operations of the appointed auditor or on the operations of the elected auditor.*
8. *Require that responsible government managers promptly respond in writing, within a time specified, to audit recommendations explaining what actions are planned or have been taken to deal with problems identified in audit reports.*
9. *Assure that non-audit functions are not assigned to the appointed auditor. If the auditor position is an elected position, care should be taken to structure the position so that the elected person is not assigned responsibilities which may appear to be a conflict of interest.*
10. *Require periodic quality assurance reviews of the audit function.*

The concepts identified in these guidelines are divided between establishing a legislative/appointed (light blue) and elected auditor (dark blue). They include recommendations for each related to Charter provisions and legislation.