

**MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT**

**Work Session and Special Meeting
May 7, 1987**

Councilors Present: Mike Bonner, Tanya Collier, Larry Cooper,
Tom DeJardin, Jim Gardner, Gary Hansen,
Sharron Kelley, Corky Kirkpatrick and
George Van Bergen

Councilors Absent: David Knowles, Mike Ragsdale and Richard
Waker

Also Present: Rena Cusma, Executive Officer

Staff Present: Jennifer Sims, Ray Phelps, Kathy Rutkowski,
Andy Cotugno, Don Cox, LeRoy Nollette,
Donald Carlson, Rich McConaghy, Vickie
Rocker, Dennis Mulvihill, Judith Mandt, Ray
Barker

Deputy Presiding Officer Gardner called the meeting to order at 5:40 p.m. He explained the Council had conducted a budget work session on April 30 and the first part of this meeting would be a continuation of that session. Councilors could make motions to amend the proposed budget during the work session. After the work session, the Council take action to approve the FY 1987-88 budget as amended.

WORK SESSION

General Fund

No action taken.

Building Management Fund

No action taken. Councilor Van Bergen asked staff to provide him with information on how the tax exempt status of Metro Center building space was assessed for each tenant.

Insurance Fund

No action taken.

St. Johns Rehabilitation and Enhancement Fund

Motion: Councilor Kirkpatrick moved, seconded by Councilor Van Bergen, to add a budget note that the Council approve a plan for expending funds in the Contractual Services line item before those funds could be spent.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

Discussion Regarding Appropriate Level of Budget Appropriation

Ray Phelps, Finance & Administration Director, reported the Council staff had advised the Council to appropriate the FY 1987-88 budget according to divisions and programs. The budget was currently appropriated by fund. With the aid of Accounting and Management Services staff, Mr. Phelps reviewed how the more detailed level of appropriation would result in significantly more work for staff including increased level of budget adjustments, more Council meeting time devoted to budget transfers, increased Accounting staff time in researching the current status of line items accounts, and increased staff time devoted to detailed accounting work.

Donald Carlson, Council Administrator, explained that accounting reports detailing division and program expenditures were already being produced. The Council needed to continue receiving that level of reporting in order to determine if its budgeted programs were being carried out, he said.

Councilor Cooper thought the action contemplated would complicate an already cumbersome reporting system and he questioned how a more detailed accounting system could track program status. Councilor Kirkpatrick urged the Council to appropriate the budget on a program level in order to have more control over whether the Council's budgeted programs were actually being carried out.

The Executive Officer explained the Council was responding to past transition problems that had been or soon would be resolved. Some budgeted FY 1986-87 programs had been stalled due to sudden staff vacancies, she said, but the FY 1987-88 budget reflected her priorities and adequate staffing.

Councilor Van Bergen noted that due to the new division of Executive and Council authorities, the Council's only strength was control of the budget. The Council did not have ample staff to execute its power any other way. He acknowledged that increased appropriation levels would result in increased minutia but thought that a small price to pay for being informed about program changes. He noted the

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Executive Officer had not offered other solutions to resolve the Council's concern.

Councilor Kirkpatrick noted she had proposed the motion because more budget control was an extension of the transition of Executive Officers, not a result of the transition. She acknowledged Metro had established a new way of doing business and she was unswayed by staff's claims the change would result in extra work. This action was the only way the Council could ensure their work was being carried out, she explained.

Councilor DeJardin requested staff develop a compromise solution that would provide the Council with up to date information on the status of programs that would not require additional staff to produce.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Van Bergen, to appropriate the Zoo Operating Fund budget at the division level and all other Fund budgets at the program level.

Vote: A vote on the motion resulted in:

Ayes: Councilors Collier, Gardner, Kirkpatrick and Van Bergen

Nays: Councilors Bonner, Cooper, DeJardin, Hansen and Kelley

Absent: Councilors Knowles, Ragsdale and Waker

The motion failed.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Collier, to appropriate the Zoo Operating Fund budget at the division level and the Solid Waste Operating Fund budget at the program level. All other funds would continue to be appropriated by fund.

Vote: A vote on the motion resulted in:

Ayes: Councilors Bonner, Collier, DeJardin, Gardner, Kirkpatrick and Van Bergen

Nays: Councilors Cooper, Hansen and Kelley

Absent: Councilors Knowles, Ragsdale and Waker

The motion passed.

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REGULAR SESSION

Consideration of Resolution No. 87-745, for the Purpose of Approving the FY 1987-88 Budget and Transmitting to the Tax Supervising & Conservation Commission (TSCC) (Public Hearing)

Deputy Presiding Officer Gardner opened the public hearing on the FY 1987-88 budget.

David Little, testified that although he had served on the the Council's FY 1987-88 Budget Advisory Committee, he was addressing the Council as an "outsider looking in." He then thanked Presiding Officer Waker for appointing him to the Committee and commended Councilor Kirkpatrick and Jennifer Sims for their work on the budget. Mr. Little emphasized he was not a "voice in the wilderness." The issue of economic equality was a great concern to Metro's minority community constituents. He noted that the Africa Exhibit and Convention Center construction projects presented excellent opportunities for Metro to hire minorities and women -- groups whose unemployment was disproportionately under the average.

Mr. Little thought Metro should make it a priority to do more than just meet affirmative action hiring goals, especially for management and administrative positions, in order to correct past inequities. He thought Metro should work with the minority community to achieve goals and prominently advertise itself as an equal opportunity employer. Mr. Little concluded that if Councilors were going to consider voting themselves raises, they had to give affirmative action a higher priority than just meeting minimum goals. He challenged the Council to establish economic opportunity for minorities and women as a priority for the agency.

Councilor Hansen agreed Metro needed to make a wholehearted commitment to affirmative action and Disadvantaged Business Enterprise contracting programs. He suggested managers who did not meet division affirmative action goals not be granted merit pay increases.

Councilor Gardner said he agreed with Mr. Little's testimony except that the Council was not paid for their services so they would therefore not be voting themselves pay raises.

Councilor Hansen added that because the majority of the Council did not support increasing Councilor per diem, the Council would not consider a raise in per diem.

Councilor Van Bergen said he agreed with Mr. Little's testimony and questioned how Metro could correct past injustices. Mr. Little suggested injustices could be corrected by moving toward affirmative action and not being satisfied with simply meeting established

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goals. He explained that women and minorities had historically been denied business and employment opportunities. That momentum had to swing the other way to achieve a balance. Mr. Little then distributed a letter to Executive Officer Cusma from himself and Dapo Sobomehin, another member of the Budget Advisory Committee, regarding Metro's affirmative action and contracting programs. He asked Councilors to read that memo and these written minutes. Those messages would clearly explain what had to be done to achieve a balance, he said.

Executive Officer Cusma said her record regarding affirmative action and contracting was clear. She had appointed a citizen group to make recommendations to improve those programs and their proposal would be distributed to the Council within 30 days.

Estle Harlan, representing the tri-county council of refuse haulers, distributed written testimony explaining the council's concerns with the proposed FY 1987-88 budget. Ms. Harlan was primarily concerned that the budget had increased by 30.5 percent. She said voters of any other government body would raise serious concerns about such an increase. She was also concerned that the Solid Waste Operating Fund contingency continued to be large. She had observed that when the Council decided not to fund a particular project or line item, the money was historically transferred to contingency, rather than reducing the solid waste budget. She thought this practice had resulted in an inflated budget. She urged the Council to examine the problem so it would not occur in the FY 1988-89 budget.

Councilor Gardner explained that before FY 1988-89, the Council would have a long-range solid waste financial plan in place which would establish acceptable bonding and contingency levels. He noted the agency was facing big changes in the immediate future and a large fund balance would be needed.

A discussion followed about factors that had contributed to the 30.5 percent increase in the budget. Councilor Kirkpatrick thought most of the increase was attributable to personnel cost increases -- costs she had unsuccessfully tried to reduce.

There was no other testimony and the public hearing was closed. Deputy Presiding Officer called a recess at 8:00 p.m. The Council reconvened at 8:20 p.m.

Zoo Operating Fund

No action was taken to amend the budget. Earlier in the meeting the Council moved to appropriate the fund at the division level.

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Zoo Capital Fund

No action was taken to amend the budget. Earlier in the meeting the Council moved to appropriate the fund at the program level.

Solid Waste Operating Fund

Motion: Councilor Kirkpatrick moved, seconded by Councilor Van Bergen, to accept the Budget Advisory Committee's recommendation to reduce furniture purchases for the Facilities Development program by \$600.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

Motion: Councilor Kelley moved, seconded by Councilor Van Bergen, to adopt staff's recommendation dated May 1, 1987, to delete \$20,000 from Contract Services, Management & Administration, for economic analysis of waste collection.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

Earlier in the meeting the Council moved to appropriate the fund at the program level.

At the April 30 budget work session, a motion was received and carried to restore all positions to the Solid Waste budget. A motion had also carried to remove from the budget the potential for increasing fees for creating a fund for giving money to any city or county because of a future policy during the fiscal year of paying those groups for impact because of transfer stations. The effect of the latter motion was to delete provisions for a \$.25 per ton fee paid to Oregon City for waste handled at the Clackamas Transfer & Recycling Center.

Solid Waste Capital Fund, Debt Service Fund, St. Johns Reserve Fund, and St. Johns Final Improvement Fund

No action was taken to amend these proposed budgets.

Intergovernmental Resource Center (IRC)

Motion: Councilor Kirkpatrick moved, seconded by Councilor Kelley, to approve the IRC Fund as originally proposed by the Executive Officer and as recommended by the Budget Advisory Committee which would enable the entire budget to be submitted to the TSCC for public hearing and consideration by May 15, 1987; and that a subcommittee be created consisting of Councilor Ragsdale, Deputy Executive Officer Dick Engstrom, Finance & Administration Director Ray Phelps, and Council Administrator Donald Carlson, to review the proposed budget in light of the IRC and Land Use Transition Committee Reports and the recommendations of the Executive Officer and Council staff. The purpose of the subcommittee is to develop alternative budget and work programs to be reported to the Council on June 11, 1987. The report will be acted on by the Council when the FY 1987-88 budget is up for Council adoption. Any proposed budget revision prepared should be reviewed by the IRC (Local Government Advisory) Committee and Land Use Transition Committee prior to consideration by the Council.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Kelley, to establish a \$20,000 revenue line item for interest income and a \$32,500 expense line item for a regional parks study.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

No actions were taken at the April 30 budget work session regarding the IRC Fund.

Convention Center Project Management Fund

No action was taken to amend the proposed budget.

Convention Center Project Capital Fund, Convention Center Project Debt Service Fund, and CTS Fund

No action was taken to amend the proposed budgets.

Council Department of the General Fund

Motion: Councilor Van Bergen moved, seconded by Councilor Kelley, that the Council Management Committee be involved in the selection of the Financial Auditor which would take place during FY 1986-87. The Committee shall meet with the auditors at appropriate times to assure full disclosure of information generated in the audit process and a thorough oversight of the District's financial affairs.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

No amending actions were taken at the April 30 budget work session.

Executive Management Department of the General Fund

No action was taken to amend the proposed budget.

Finance & Administration Department of the General Fund

Motion: Councilor Hansen moved, seconded by Councilor Bonner, to approve the Executive Officer's proposal dated April 17, 1987, to add 1.0 FTE to the Data Processing Division.

Vote: A vote on the motion resulted in:

Ayes: Councilors Bonner, Collier, Cooper, DeJardin, Gardner, Hansen, Kelley and Van Bergen

Nay: Councilor Kirkpatrick

Absent: Councilors Knowles, Ragsdale and Waker

The motion carried. Councilor Kirkpatrick explained she had not voted for the motion because the proposal to add the 1.0 FTE had not been submitted to the Budget Advisory Committee for their review.

No amending actions were taken at the April 30 budget work session.

Public Affairs Department of the General Fund

No action was taken on the budget at this meeting. At the April 30 work session, the Council adopted a motion to approve the Public Affairs budget as recommended by the Budget Advisory Committee.

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Adoption of Resolution No. 87-745

Before taking action to adopt the Resolution, the Council agreed the Solid Waste Committee should review the issue of whether a per ton fee should be paid to the City of Oregon City for waste handled at the Clackamas Transfer & Recycling Center and the Committee should make a recommendation to the Council at a later date.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Van Bergen, to adopt Resolution No. 87-745 as amended by the Council's actions of April 30 and May 7, 1987.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Knowles, Ragsdale and Waker were absent. The motion carried.

There being no further business, the meeting was adjourned at 8:55 p.m.

Respectfully submitted,

A. Marie Nelson
Clerk of the Council

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