

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

May 2, 1991

Council Chamber

Councilors Present: Presiding Officer Tanya Collier, Deputy Presiding Officer Jim Gardner, Larry Bauer, Tom DeJardin, Richard Devlin, Jim Gardner, Sandi Hansen, David Knowles, Susan McLain, George Van Bergen and Judy Wyers

Councilors Absent: Roger Buchanan and Ruth McFarland

Also Present: Executive Officer Rena Cusma

Presiding Officer Collier called the special meeting to order at 5:40 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. NON-REFERRED RESOLUTIONS

4.1 Resolution No. 91-1414, for the Purpose of Approving the FY 1991-92 Budget and Transmitting the Approved Budget to the Tax Supervising and Conservation Commission (Public Hearing)

Presiding Officer announced Resolution No. 91-1414 was a non-referred resolution and asked for a motion to suspend the rules so that the Council as a whole could consider the resolution.

Motion No. 1: Councilor Gardner moved, seconded by Councilor Van Bergen, to suspend the rules which required resolutions to be referred by committee.

No. 1 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, Van Bergen and Collier voted aye. Councilors Buchanan, McFarland, McLain and Wyers were absent. The vote was unanimous and the motion to suspend the rules passed.

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Main Motion: Councillor Van Bergen moved, seconded by
(No. 2) Councillor Devlin, for adoption of Resolution
No. 91-1414 which included approval of the FY
1991-92 Budget as recommended by the
Council's Budget Committee and the Budget
Notes recommended by the Committee and listed
in the Committee's report dated April 29,
1991.

Councillor Van Bergen said he had presented and explained the Budget Committee's deliberation of the FY 1991-92 Budget at the April 25, 1991 Council meeting. He referred those present to his April 29 memorandum "Budget Committee Report and Recommendations on the FY 1991-92 Budget" (filed with the record of this meeting).

Presiding Officer Collier opened the public hearing.

Ron Kawamoto, Commissioner, Metropolitan Exposition-Recreation Commission (MERC), explained MERC began its own budget process in September, that the MERC Budget team reviewed the budget which was then reviewed by Metro Executive Management, reviewed by MERC again, reviewed by the Council Regional Facilities Committee, the Council Budget Committee and then the full Council. He asked the Council to restore the cuts the Budget Committee had made in the MERC budget. He said those funds were needed because of increased facility and patron use.

No other persons appeared to testify and the public hearing was closed.

Presiding Officer Collier asked if there were any amendments or recommendations on the Transportation Department budget as submitted by the Budget Committee. No amendments were offered.

Presiding Officer Collier asked if any Councillors wished to amend any part of the Metro Washington Park Zoo budget as submitted by the Budget Committee. No amendments were offered. The Council discussed the Benson & McLaughlin 1991 Centralization/Decentralization Study for the Metropolitan Service District. Councillor Wyers said the Budget Committee had not had enough time to consider that report's recommendations concurrently with the FY 1991-92 Budget.

Motion No. 3: Councilor Devlin moved, seconded by Councilor Wyers, to instruct staff to draft a budget note to instruct the standing committees to review both the Centralization/Decentralization Study and the KPMG Peat Marwick Performance Audit and to report back to the Council no later than October 15, 1991 so that committee recommendations could be incorporated into the FY 1992-93 Budget.

No. 3 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan, McFarland and McLain were absent. The vote was unanimous and the motion passed.

Presiding Officer Collier asked if there were any amendments or recommendations for the Planning & Development Department budget as recommended by the Budget Committee.

Councilor Gardner referred those present to his May 2 memorandum, "Proposed Amendments to the Planning & Development Department Budget Committee Recommendations."

Motion No. 4: Councilor Gardner moved to split out the current single appropriation for Land Use/Environmental Planning into two separate appropriations corresponding to the two separate divisions. Under the same motion, Councilor Gardner moved to add the following budget note: "In the Urban Services Division, Solid Waste revenues are dedicated for expenditure on solid waste planning activities only. For non-solid waste programs, such as the Regional Fiscal Equity in Taxation and Regional Emergency Planning programs, the department will seek non-solid waste revenues. Upon receipt of such revenues, the department will establish appropriate non-solid waste accounting codes to track program expenditures, including personal services/staff costs. If solid waste planning staff are redirected to work on these programs, the department will adjust solid waste revenue support for these positions."

Councilor Gardner explained the amendment would eliminate confusion in accounting for each division and their programs and that budget appropriations would reflect the actual organizational structure used to expend funds. Councilor Van Bergen objected to the proposed emergency equity taxation and

housing programs and said it was not appropriate for Metro to be involved in such ventures at this time.

Executive Officer Cusma noted Jennifer Sims, Budget Officer, might wish to address the accounting issues. Ms. Sims said the intent of the motion was to appropriate at a finer level of detail to provide for more accountability while tracking the two programs. She said staff had already identified an account code structure that would provide and track the programs as Councilor Gardner proposed. She said the appropriation unit level created a smaller dollar figure and a smaller appropriation that was difficult to track and presented risk of over-expenditure. She asked that the divisions be budgeted in the manner Councilor Gardner proposed, but not appropriated in that manner.

Councilor Gardner cited various department/division splits that had occurred over FY 1990-91. He said the Council had ultimate responsibility for how funds were administered and his amendment would ensure funds were allocated to the correct divisions and/or programs.

No. 4 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan, McLain and McFarland were absent. The vote was unanimous and the motion passed.

Motion No. 5: Councilor Bauer moved, seconded by Councilor DeJardin to amend the Planning & Development budget by adding 1.0 FTE (Senior Regional Planner) dedicated to the Housing Program.

Councilor Bauer said the cost of his amendment would be approximately \$58,820 in FY 1991-92. He further proposed those funds come from \$200,000 available from an over-commitment of funds in the Insurance Fund.

Councilor DeJardin concurred with Councilor Bauer's motion and said Metro should more fully commit to its stated Housing Program goals. Councilor Van Bergen questioned whether it was appropriate for Metro to involve itself in housing and other programs and questioned the financial commitment necessary. The Council discussed FTEs currently allocated to review of housing issues. Councilor Gardner concurred with Councilor Van Bergen and said the Housing Issues Report produced by staff this year was thoughtful but did not define a clear role for Metro in housing issues. He agreed with the Budget Committee's current recommendation to maintain the 0.5 FTE as originally proposed.

Executive Officer Cusma noted the 0.5 FTE survived the cuts she made in the Planning & Development Budget as submitted by staff. She said she had cut from the 1.5 FTEs proposed to 0.5 FTE to

remain within the current excise tax allocation of 5 percent which the Council had stated it wished to do in the FY 1991-92 Budget. She said after Budget Committee consideration of the Proposed Budget, more revenues were found to be available that were not thought to be previously available when she had submitted the Proposed Budget. She said Metro should increase efforts in the Housing Program. She said it was appropriate for Metro to increase efforts at this time because of the Housing Issues Study and the Charter Committee's review of Metro's function and authority. To Councilor Wyers' question, Executive Officer Cusma said the \$200,000 allocated to the Insurance Fund would result from excise tax funds. She said if she had known previously of those funds the Housing 1.0 FTE would have been included in the Proposed Budget. Councilor Devlin supported Councilor Bauer's motion and said, based on current and proposed demographic data, housing issues would become increasingly more important. Presiding Officer Collier said Metro had not completed its own Strategic Plan and until it was stated she was not comfortable funding any aspect of the Housing Program. Councilor Bauer said millions had been spent on transportation planning and Metro was currently developing its own Regional Urban Growth Goals and Objectives (RUGGO). He said a cornerstone of sound regional planning was to view all components in context with each other.

No. 5 Vote: Councilors Bauer, DeJardin, Devlin, Hansen, Knowles and McLain voted aye. Councilors Gardner, Van Bergen, Wyers and Collier voted nay. Councilors Buchanan and McFarland were absent. The vote was 6 to 4 in favor and the motion passed.

Motion No. 6: Councilor Devlin moved, seconded by Councilor DeJardin, to add a budget note directing the Planning & Development Department to present a work program for the approved Housing 1.0 FTE to the appropriate committee for Council adoption as soon as possible, but not later than October 15, 1991.

No. 6 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan and McFarland were absent. The vote was unanimous and the motion passed.

Presiding Officer Collier noted MERC representatives present and said the Council would review MERC's budget and then continue consideration of the Planning & Development Department Budget.

Motion No. 7: Councilor Knowles moved, seconded by Councilor DeJardin, to amend the MERC budget with Amendments Nos. 1 and 2. Amendment No. 1: Management Pool Fund: Increase Personal Services to create a 1.0 FTE Accountant (increased from 0.5 FTE); decrease Contingency by \$20,430 to cover increased Personal Services costs. Amendment No. 2: Spectator Facilities Operating Fund-- Increase Personal Services by \$71,500; Increase Travel line item for Memorial Coliseum back to originally proposed \$7,050; Increase Travel line item for PCPA by \$4,550 back to original amount proposed; and decrease Materials & Services by \$83,100.

No. 7 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan and McFarland were absent. The vote was unanimous and the motion passed.

Motion No. 8: Councilor Knowles moved, seconded by Councilor DeJardin, to amend the MERC budget with Amendments Nos. 3 and 4. No. 3: Decrease MERC's transfer to the Insurance Fund by \$90,567, broken out into the Spectator Facilities (\$55,878) and Convention Center Operating Funds (\$34,689). No. 4: Increase Unappropriated Balance in the Spectator Facilities and Convention Center Operating Funds by same amounts listed in Amendment No. 3.

The Council discussed the MERC budget and funding issues. Councilor Knowles said all the regional facilities Metro had management responsibility for were not making enough revenues to support themselves. He said the Oregon Convention Center broke even because it received a direct hotel-motel tax. He said the City's ERC reserve fund was directly applied to the deficit, but said that fund would only last two or three more years. He said the Regional Facilities Public Policy Advisory Committee would identify how the regional facilities could be supported. Councilor Wyers asked why MERC was not paying its full share for FY 1991-92 if it was not yet in deficit. Councilor Knowles said the amendments would extend the ERC reserve fund. He said Metro had management responsibility for city recreational facilities and that Metro could not ask the City of Portland to subsidize a Metro program. Councilor Wyers asked if the same or a similar subsidy would occur in FY 1992-93. Councilor Knowles said the same policy would be used because the ERC reserve fund would be less. He said he assumed by that time a permanent funding plan

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would be proposed or already in place. Councilor Wyers expressed concern because MERC facilities would be the heaviest users of the Insurance Fund and did not want to exempt its contributions to it.

Councilor Devlin said he would oppose the motion because, although it would provide relief to MERC, the subsidy fund would still be depleted. He said it was not in the best interests of the agency to use excise taxes for such purposes.

Ms. Sims discussed the Insurance Fund and how insurance funding was covered under Metro's Consolidation Agreement with the City of Portland.

No. 8 Vote: Councilor Bauer, DeJardin, Gardner, Knowles, McLain and Collier voted aye. Councilors Devlin, Hansen, Van Bergen and Wyers voted nay. Councilors Buchanan and McFarland were absent. The vote was 6 to 4 in favor and the motion passed.

Presiding Officer Collier continued review of the Planning & Development Department Budget as recommended by the Budget Committee.

Motion No. 9: Councilor DeJardin moved, seconded by Councilor Bauer, to add 1.0 FTE Senior Management Analyst as an Earthquake and Emergency Catastrophe Coordinator to the Regional Facilities Management Budget.

Councilor DeJardin explained that he and Don Rocks, Executive Assistant, had both monitored local jurisdictions' efforts and conferences on earthquake planning. He said Metro would receive digitized soil data for inclusion into Metro's Regional Land Information (RLIS) to develop mapping to indicate the soil types that would suffer the most and the least from a quake. He said Metro should begin preparation for any potential earthquake that could occur in the region. Councilor DeJardin said funding for the 1.0 FTE would come from Insurance Fund monies.

Councilor Wyers said Councilors could make their proposals during full Council consideration, but that it was preferable that Councilors with individual requests come to the Budget Committee before the Budget Committee had finished its deliberations.

Executive Officer Cusma expressed support for Councilor DeJardin's amendment. Councilor Devlin said one jurisdiction had told him there was no reason one central agency could not handle emergency preparedness. He said if Metro provided such services in the future that the local governmental dues would be justified. Councilor Van Bergen said Councilor DeJardin's

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request should have been submitted to the Budget Committee before the Budget process ended. He was unsure as to why Metro would want to assume responsibility for issues of this type.

Presiding Officer Collier reiterated that Metro was undergoing its own strategic planning process and noted the multitude of agencies involved in similar programs. She said Metro should work on agreement with other jurisdictions first.

No. 9 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles and McLain voted aye. Councilors Van Bergen, Wyers and Collier voted nay. Councilors Buchanan and McFarland were absent. The vote was 7 to 3 in favor and the motion passed.

Motion No. 10: Councilor Devlin moved, seconded by Councilor Knowles, to add a budget note directing the Planning & Development Department to present a work program for the approved Earthquake and Emergency Catastrophe Coordinator to the appropriate committee for Council adoption as soon as possible, but not later than October 15, 1991.

No. 10 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan and McFarland were absent. The vote was unanimous and the motion passed.

Don Carlson, Council Administrator, asked if the 1.0 FTE just voted upon would be housed in the Planning & Development Department. Executive Officer Cusma said 0.5 of the approved 1.0 FTE would assess facilities owned and operated by Metro and the other 0.5 would be housed in the Planning & Development Department.

Motion No. 11: Councilor Devlin moved, seconded by Councilor Hansen, to place the 1.0 FTE Emergency Preparedness Coordinator in the Planning & Development Department.

No. 11 Vote: Councilors DeJardin, Devlin, Gardner, Hansen, Knowles, Wyers and Collier voted aye. Councilors McLain and Van Bergen voted nay. Councilors Bauer, Buchanan and McFarland were absent. The vote was 7 to 2 in favor and the motion passed.

Motion No. 12: Councilor Devlin moved, seconded by Councilor DeJardin, to add 1.0 FTE Senior Management Analyst to the Planning & Development Department as a Greenspaces Development Officer.

Executive Officer Cusma said the Greenspaces Development Officer position was similar to the emergency preparedness 1.0 FTE in that it was not discussed or contemplated when the Proposed Budget was prepared or during the Budget Committee's deliberations.

Presiding Officer Collier noted the Budget Committee had worked very hard to present a balanced budget to the full Council. She said if any more FTEs or programs were added, the Council would have to have raise the excise tax, which it had previously committed not to do.

Councilor Knowles noted the planning process was in place now and the Council could decide to fund the 1.0 FTE in FY 1992-93. Councilor Devlin said the 1.0 FTE was the missing element from the planning process for the Greenspaces program. He said the position would generate far more savings if funded now than it would cost. Councilor Gardner said the biggest element of Metro's work plan over the next few years were its growth management programs. He said Oregonians would accept higher density only if natural areas were preserved.

No. 12 Vote: Councilors Bauer, DeJardin, Devlin, Gardner Hansen, McLain and Wyers voted aye. Councilors Knowles, Van Bergen and Collier voted nay. Councilors Buchanan and McFarland were absent. The vote was 7 to 3 in favor and the motion passed.

Presiding Officer Collier called a recess at 7:25 p.m.

The Council reconvened at 7:41 p.m.

Presiding Officer Collier asked if there were any amendments or recommendations to the Solid Waste Department budget as recommended by the Budget Committee. No amendments or recommendations were submitted for the Solid Waste Department budget.

Councilor Devlin wished to clarify for the record that the 1.0 FTE funded under Motion No. 12 be placed in the Planning & Development Department. Presiding Officer Collier said per Executive Officer Cusma's May 2 memorandum, the position would be housed in the Regional Facilities Department. Councilor Gardner said the position should be housed in Planning & Development, and that when the planning functions were completed and the

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Greenspaces Program became operational in nature, the 1.0 FTE could then be housed in Regional Facilities.

Motion No. 13: Councilor Gardner moved, seconded by Councilor Devlin, to assign the Greenspaces Development Officer to the Greenspaces Program as part of the Planning & Development Department.

No. 13 Vote: Councilors Bauer, Devlin, Gardner, Knowles, Van Bergen, Wyers and Collier voted aye. Councilors DeJardin, Hansen and McLain voted nay. Councilors Buchanan and McFarland were absent. The vote was 7 to 3 in favor and the motion passed.

Presiding Officer Collier asked if there were any amendments or recommendations for the Support Services, Insurance or Building Funds as recommended by the Budget Committee.

Motion No. 14: Councilor Devlin moved, seconded by Councilor Gardner, to remove the Insurance Fund Transfer Policy budget note listed on Exhibit A, page 2 of Councilor Van Bergen's April 29 memorandum previously referenced in these minutes.

No. 14 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Van Bergen, Wyers and Collier voted aye. Councilors Buchanan and McFarland were absent. The vote was unanimous and the motion passed.

Presiding Officer Collier asked if there were any other recommendations or amendments for the Support Services, Insurance or Building Funds. No further recommendations or amendments were offered.

Presiding Officer Collier asked if there were any amendments or recommendations to the General Fund as recommended by the Budget Committee.

Motion No. 15: Councilor Bauer moved, seconded by Councilor Hansen, to fund a 0.5 FTE Senior Management Analyst for the purpose of providing Metro staff in a liaison function with the Charter Committee.

Councilor Bauer explained the 0.5 FTE was not included in the Proposed Budget because it was not known before the Budget Committee concluded its deliberations that the position was necessary.

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Councilor Wyers who originally was intended to serve as staff the Charter Committee. Mr. Carlson said a 1.0 FTE Senior Management Analyst had been funded to serve as liaison to the Charter Committee and to work on the Metro/Tri-Met transfer study. Councilor Gardner said the Tri-Met study would not commence until the Urban Mass Transportation Administration (UMTA) full funding agreement was signed in fall of 1991.

Executive Officer Cusma said the 0.5 FTE was necessary because the 1.0 FTE Senior Management Analyst would commence work on the Tri-Met study, work on Metro's Strategic Plan, and work with Metro's intergovernmental relations lobbyist. She said it was essential that staff monitor and serve in a liaison capacity with the Charter Committee. She expected the position to be a one-year effort.

Presiding Officer Collier asked if Executive Management planned to place 0.5 FTE in the Office of Governmental Relations. Councilor Wyers asked why the position had not been anticipated. Executive Officer Cusma noted the State Legislature did not finish work on Charter Committee legislation until April 1991.

No. 15 Vote: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, McLain, and Collier voted aye. Councilors Knowles, Van Bergen and Wyers voted nay. Councilors Buchanan and McFarland were absent. The vote was 7 to 3 in favor and the motion passed.

Motion No. 16: Councilor Knowles moved, seconded by Councilor Hansen, to delete \$100,000 allocated for Metro/Tri-Met Transfer Study.

Councilor Knowles said the study should not be considered a priority expenditure although it was a priority program for Metro to pursue. He said the Cogan Sharpe Cogan (CSC) study Metro commissioned in fall of 1990 indicated there were no significant cost savings, and that there could be an increase in costs, from such a merger or transfer. Councilor Knowles said if Metro could not establish it could save money from performing such a function, that Metro should ask if it could do a better job with greater accountability. He said Metro's constituency should decide what Metro should do first before commissioning the study. He said Metro should engage in a proactive effort to determine what the public wanted. He said the public might believe accountability was so important that they did not care about the extra costs and said he had heard no testimony that established that affirmatively. He said that was one reason why the Council might want to move a meeting every other month to the various districts to hear from the public. Councilor Knowles proposed the \$100,000 be placed in the Contingency Fund.

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Councilor Wyers concurred with Councilor Knowles' motion and asked that the motion include a request to develop a work plan on how Metro would discuss the proposed transfer with its constituents. She said the appropriate standing committee could develop the work plan.

Councilor Devlin said the Council had gone through a time-consuming process during which no cost savings were identified. He said the Council had dealt with the Tri-Met transfer issue several times in its history. He said after the Council's last attempt to deal with the issues in fall of 1990, it was agreed to drop the issue until after the full funding agreement was signed with UMTA. He noted Executive Officer Cusma's budget originally proposed \$150,000 for the study which was dropped to \$100,000. He said Metro could not build accountability and need without a process laid out in advance. He said if such a process was not developed because this particular study had not been performed, Metro's efforts would not be taken seriously and Metro's authority to perform the transfer should be removed from state statutory language.

Councilor Gardner concurred with Councilor Devlin and said if Metro stated the transfer was a priority, Metro should be perceived as serious in that goal. He said the CSC study had produced many questions which required answers before any decision-making could occur. He said the public would want to know what costs there would be, who would be in charge, and how such a transfer would occur. He said the study would give Metro a base line to use to tell for once and for all if the transfer was or was not a good idea. He agreed with Councilor Knowles that Metro needed to build political support for the issue if Metro pursued the transfer option.

Councilor Hansen said Metro should not provide answers but listen to constituents. She said she wanted to hear what constituents thought about Tri-Met and whether they felt transit issues should involve accountability.

Presiding Officer Collier said at the fall 1991 Metro Council retreat, the Tri-Met transfer issue was identified as a priority and the study was budgeted for FY 1991-92 because it had been identified as such. She said after 10 years of discussion and debate, the issue should be settled.

Councilor McLain said political climates changed and said the budget did not contain any issues that were not important. She said Metro should not fund the study simply because of 10 years of past history. She said the study could be funded for FY 1992-93. She said based on current political climate, Metro would create more goodwill by removing funds allocated for the study.

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Councilor Van Bergen said Metro had discussed the issues for nine years. He said he had consistently opposed the transfer for nine years. He said he had agreed to a study being performed after the UMTA full funding agreement was signed and he stood by that agreement.

Councilor Bauer said Metro should gauge a better measurement of the public's mood and ascertain fiscal feasibility.

Executive Officer Cusma said the issue had been generated by a Council retreat, as mentioned previously by Presiding Officer Collier, and noted she participated in the negotiations to set the issue aside until after the UMTA full funding agreement had been signed. She said Metro would not accomplish anything by backing away from the issue. She said Metro should decide whether or not to proceed at this time.

Vote No. 16: Councilors DeJardin, Hansen, Knowles and McLain voted aye. Councilors Bauer, Devlin, Gardner, Van Bergen, Wyers and Collier voted nay. The vote was 6 to 4 in opposition and the motion failed to pass.

Presiding Officer Collier asked if any Councilors wished to amend any part of the Support Services Fund as recommended by the Budget Committee. No amendments or recommendations were offered.

Presiding Officer Collier noted Councilor Gardner wished to return to consideration of the General Fund for amendment purposes.

Motion No. 17: Councilor Gardner moved, seconded by Councilor Wyers, to eliminate the proposed 1.0 FTE Attorney requested for the Office of General Counsel Budget and to add \$25,000 to Professional Services for legal contracting work.

Councilor Gardner discussed his motion and said not enough justification had been provided to verify the requested position. He said additional legal counsel services could be contracted out if necessary. He said there was not enough legal work to justify an additional permanent attorney.

Councilor Hansen said there was enough legal work to justify a fourth attorney. Councilor Wyers noted the Office of General Counsel did without a third attorney for several months due to a vacancy and the Council had received no requests for outside help on legal work during that time. The Council discussed the issue further. Councilor Knowles noted the Centralization/Decentralization concluded Support Services as a whole was understaffed. Councilor Van Bergen said the issue had received a 3 to

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2 vote in favor by the Budget Committee. He said the Office of General Counsel attorneys were not being utilized as legal counsel, but as administrative support.

Vote No. 17: Councilors Gardner, Wyers and Collier voted aye. Councilors Bauer, DeJardin, Devlin, Hansen, Knowles, McLain and Van Bergen voted nay. Councilors Buchanan and Van Bergen were absent. The vote was 7 to 3 opposed and the motion failed to pass.

Mr. Carlson said the General Fund had gone up by \$201,966 to a total of \$4,988,821. Presiding Officer Collier said the budget was therefore out of balance by \$201,966 from the budget submitted by the Budget Committee. She asked how the deficit would be adjusted. Mr. Carlson said the deficit would be made up from the excise tax. Councilor Bauer said he had understood there was an excess \$200,000 from excise tax revenues in the Insurance Fund above the recommended Insurance Fund reserve.

Mr. Carlson explained if the Council continued the policy begun FY 1990-91 of setting the excise tax higher than the actual budgeted amount, the Council could vote to set the excise tax rate at 5.25 percent to cover increased expenditures. He said otherwise the Council should reduce expenditures. He said the impact of the higher levy rippled to MERC and Zoo funds because they were budgeted at a 5 percent excise tax rate levy. He said Contingency or Unappropriated Balance funds in those areas could be reduced to compensate. Councilor Wyers noted Solid Waste revenues were assessed at 5.61 percent to build up a low Contingency Fund. Councilor Van Bergen said raising the excise tax would put additional burdens on the revenue-raising departments. He said numbers given on solid waste tonnage could vary widely and if tonnage received was too low, expected excise tax revenues would not be realized.

Councilor Gardner asked if all departments had allowed for a higher excise tax rate. Mr. Carlson said they had not. He said one Budget Committee recommendation made on the Zoo Budget had been to budget a fee increase of \$1 per person across the board effective January 1, 1992. Councilor Devlin said the excise tax was listed in the Budget as an add-on. He said the Budget Committee did make adjustments to account for an excise tax rate of 5 percent. He said 5.25 percent levied would reduce the Zoo's Contingency and lower Solid Waste's Contingency Fund from to 5 percent. He said the higher excise tax would impact MERC also. Councilor Devlin said the real question to ask was how a .25 percent increase would impact the Zoo.

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Motion No. 19: Councilor Gardner moved, seconded by Councilor Hansen, to raise the excise tax rate levied for FY 1991-92 to 5.25 percent which anticipated an effective rate of 5.05 percent.

The Council discussed the motion.

Vote No. 19: Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Wyers and Collier voted aye. Councilor Van Bergen voted nay. Councilors Buchanan and McFarland were absent. The vote was 9 to 1 in favor and the motion passed.

The Council discussed the new excise tax rate further.

Vote on Main Motion:
(No. 2 Vote) Councilors Bauer, DeJardin, Devlin, Gardner, Hansen, Knowles, McLain, Wyers and Collier voted aye. Councilor Van Bergen voted nay. Councilors Buchanan and McFarland were absent. The vote was 9 to 1 in opposition and Resolution No. 91-1414 as amended was adopted.

Presiding Officer Collier adjourned the meeting at 9:20 p.m.

Respectfully submitted,



Paulette Allen
Clerk of the Council