

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
THE METRO CODE AND RELATING)
TO THE ANNUAL BUDGET)

ORDINANCE NO. 94-566A
Introduced by Councilor Rod Monroe

THE METRO COUNCIL HEREBY ORDAINS:

A new Section 2.01.200 "Annual Budget" is hereby added to the Metro Code. The of the Code Section is as follows:

2.01.200 Annual Budget: The Executive Officer shall submit to the Council the Proposed Budget and Budget Message for the following fiscal year at the first regularly scheduled Council meeting in February of each year. If there is a transition of Executive Officers, the outgoing Executive Officer shall consult and cooperate with the Executive Officer-Elect to the maximum extent possible in the preparation of the Proposed Budget and Budget Message.

ADOPTED by the Metro Code this 25th day of August, 1994.


Ed Washington, Deputy Presiding Officer

ATTEST:


Clerk of the Council

FINANCE COMMITTEE REPORT

ORDINANCE NO. 94-566A AMENDING THE METRO CODE AND RELATING TO THE ANNUAL BUDGET

Date: August 25, 1994

Presented By: Councilor Kvistad

COMMITTEE RECOMMENDATION: At its August 24, 1994 meeting the Committee voted 4-1 to recommend Council adoption of Ordinance No. 94-566 as amended. Committee members voting in favor were Councilors Kvistad, McLain, Monroe and Washington. Councilor Van Bergen voted in opposition and Councilors Buchanan, Devlin, and Gardner were absent.

COMMITTEE DISCUSSION/ISSUES: Mr. Don Carlson, Council Administrator, gave the Staff Report. He stated the ordinance adds a new section to the Metro Code which requires the Executive Officer to submit the Proposed Budget to the Council at a special Council meeting to be held on the first Tuesday following the first Monday of each year. During years where there is a transition of Executive Officers the ordinance requires the outgoing Executive Officer to consult and cooperate with the Executive Officer-elect to the maximum extent possible in the preparation of the Proposed Budget. Mr. Carlson explained that the purpose of the ordinance was for the Council to receive the budget in sufficient time to be able to consider and adopt it by the end of March thus not requiring an emergency clause in the budget ordinance. Councilor Monroe explained that he had introduced the ordinance because he believes in majority rule. The Charter requires an extra-ordinary majority to approve an ordinance with an emergency clause, thus enabling a minority of the Council to "hold the budget hostage" for their view point to prevail.

Ms. Jennifer Sims, Finance Director, presented a memo to the Committee from the Executive Officer expressing several concerns about the January 3, 1995 submittal date for the Proposed Budget (See Attachment 1 to this Committee Report). Principle among the concerns are lack of good financial data on which to base the Proposed Budget; lack of sufficient resources to do the regular work in the Departments and start the budget process early; and concern that the new Executive Officer will not have adequate time to provide input in the Proposed Budget. The Executive Officer has committed to work with the Executive Officer-elect to deliver a good budget proposal by February 23, 1995. Ms. Sims did say that the Finance Department could deliver a budget for the Executive Officer to submit to the Council by the time specified in the ordinance but it would be subject to the short comings as described in the Executive Officers memo.

Several committee members including Councilors McLain, Kvistad and Van Bergen expressed strong reservations about the budget submission date included in Ordinance No. 94-566. Councilor Van Bergen stated this matter is best left to the new Council to decide both as to when the budget should be submitted and the specific

schedule and process to be followed. Councilors Kvistad and McLain expressed concern about setting a submission date too early to enable the Executive Officer to submit a good, accurate Proposed Budget.


In response to questions from the Committee, Don Carlson stated that the possible budget schedule attached to the ordinance was for illustration purposes only to show the general time line if the budget were to be adopted by March 30, 1995. Mr. Carlson expressed reservations about this current Council adopting a budget schedule for the new Council but stated the submission date in the ordinance was suggested so the new Council could, if it decided to do so, start budget considerations in time to adopt the budget by the end of March. Mr. Carlson stated that in his opinion delaying the submission date by more than one week would make it almost impossible for the new Council to give proper consideration to the Proposed Budget and adopt it by the end of March.

Councilor Kvistad stated he had difficulty seeing the new Council start dealing with the Proposed Budget immediately upon being sworn in. He moved that the submission date for the Proposed Budget be changed to the first regularly scheduled Council meeting in February of each year thus, moving the submission date forward by approximately two weeks from the submission date last year.



METRO

ATTACHMENT 1
(Fin. Comm. Rpt./94-566A)

Date: August 23, 1994
To: Metro Council
From:  Rena Cusma, Executive Officer
Re: FY 1995-96 Budget Schedule

It has come to my attention that the Council is considering an Ordinance directing the Executive Officer to submit the FY 1995-96 budget on January 3, 1995. This proposed schedule raises a series of issues which you should consider prior to action on this item:

1. The FY 1993-94 audit would not be completed in time to provide firm data on prior revenue and expenditures. Departments would have only one current year financial report on which to develop forecasts.
2. The base period for cost allocation data would have to be moved back to October 1993 through September 1994.
3. Budget estimates would be even more sketchy than those provided under the 1994 submittal date in mid-February. This will result in more budget amendments and more staff work.
4. Staff in all departments are currently working on the Strategic Information Systems Plan (SISP) and 5 Year Financial Plan which are designed to precede and support preparation of the budget. An advanced budget schedule will overlap this work and reduce its value.
5. The Finance staff is deeply involved in the SISP and 5 year planning. In addition, they would be responsible for implementing the construction excise tax if adopted. Adding the budget in the same time period creates an impossible workload.
6. Departments will have to complete their budget requests and submit them to Finance before the November election. They will not know who the new Executive Officer will be (and therefore, which policy options he or she will prefer) nor will they know the results of the vote on the significant financial issues on the ballot (Measures 5, 8 and 20). The initial department budgets could therefore be meaningless.

FY 1995-96 Budget Schedule

08/23/94

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In addition, I am most concerned that the Council would put the new Executive Officer in the position of having to submit a budget on his/her first day in office. This virtually eliminates the new Executive Officer's opportunity to staff properly, provide input to programs and recommend agency direction.

The budget is a key public policy document of the Council. The budget process should foster debate and discussion of policy issues and not serve as a forum to solve the political problems of the Council. Clearly this early submittal scheme would reduce the effectiveness of the new Executive Officer.

I urge you to abandon consideration of a January submittal date. I am willing to commit to working with the Executive Officer-elect to generate a strong budget proposal by February 23, 1995.

wp51/karen/js-memos/budget95.js

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ANNUAL BUDGET)	Introduced by
)	Councilor Monroe

THE METRO COUNCIL HEREBY ORDAINS:

A new Section 2.01.200 "Annual Budget" is hereby added to the Metro Code.

The text of the Code Section is as follows:

2.01.200 Annual Budget: The Executive Officer shall submit to the Council the Proposed Budget and Budget Message for the following fiscal year at a special ~~the first regularly~~ ~~scheduled~~ Council meeting ~~to be held on the first Tuesday after the first Monday in February~~ of each year. If there is a transition of Executive Officers, the outgoing Executive Officer shall consult and cooperate with the Executive Officer-Elect to the maximum extent possible in the preparation of the Proposed Budget and Budget Message.

Ed Washington, Deputy Presiding Officer

ATTEST:

Clerk of the Council

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METRO

Date: August 8, 1994
To: Metro Council
From: Rod Monroe, ^{Rm/ste} Finance Committee Chair
Re: Ordinance No. 94-566 Relating to the Annual Budget

This is to inform you that I have introduced Ordinance No. 94-566 for Council consideration. This ordinance, if adopted, requires the Executive Officer to submit the Proposed Budget Document and Budget Message for the following fiscal year to the Council on the first Tuesday after the first Monday of each new year. The submission would be at a special meeting of the Council.

The purpose for this ordinance is to give the Council the flexibility to adopt the agency's Annual Budget by March 30 of each year thus avoiding the need for an emergency clause and an extraordinary majority of Councilors. **This ordinance does not propose a specific schedule.** This will make it possible for each Council at the beginning of the new year to decide the specific schedule for consideration and adoption of the Annual Budget. For explanatory purposes only, I have attached a draft of a possible schedule to be followed which would enable the adoption of the Annual Budget without the use of an emergency clause.

If you have any questions about this ordinance, please let me know.

cc: Rena Cusma
Jennifer Sims

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Ed Washington, Deputy Presiding Officer

ATTEST:

Clerk of the Council

DRAFT

EXHIBIT A

**POSSIBLE GENERAL SCHEDULE FOR COUNCIL CONSIDERATION
OF FY 1995-96 PROPOSED BUDGET**

<u>DATE</u>	<u>EVENT</u>
January 3, 1995 (Tuesday)	Executive Officer presents FY 1995-96 Proposed Budget and Budget Message to Council
January 7, 1995 (Saturday)	Council meets for Budget Workshop
January 9 - February 24, 1995 (7 weeks)	Council meets as Budget Committee to deliberate on FY 1995-96 Proposed Budget. Budget Committee recommendations finalized by February 24, 1995
March 2, 1995 (Thursday)	Council hold Public Hearing and approves budget resolution transmitting FY 1995-96 Approved Budget to Tax Supervising Conservation Commission (TSCC)
March 8, 1995 (Wednesday)	FY 1995-96 Approved Budget filed with TSCC. (TSCC holds hearing on Proposed Budget on Wednesday, March 29, 1995
March 30, 1995 (Thursday)	Council holds Public Hearing and Adopts FY 1995-96 Budget (Budget Ordinance takes effect on July 1, 1995 -- 93 days from adoption