

MINUTES OF THE COUNCIL BUDGET COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

March 16, 1992

Council Chamber

Committee Members Present: George Van Bergen (Chair), Sandi Hansen (Vice Chair), Richard Devlin, Jim Gardner, Judy Wyers

Committee Members Absent: None

Other Councilors Present: Roger Buchanan, Ed Washington, Susan McLain

Chair Van Bergen called the regular meeting to order at 5:45 p.m. The clerk called the roll.

1. FY 1992-93 Proposed Budget Overview

Jennifer Sims, Director, Finance and Management Information, gave an overview of the proposed FY 1992-93 budget. She said the budget was decreased by \$24 million from last year. She said there was an increase in overall Personal Services and Materials and Services accounts and a decrease in the Unappropriated Balance and Capitol Outlay accounts.

Ms. Sims noted three funds were eliminated; Oregon Convention Center Management Fund, Portland Center for the Performing Arts Capitol Fund, and the Planning and Development Department Funds. She said three funds were added to the budget; Greenspaces (a trust/estate fund), Spectator Facilities Fund (to separate Coliseum activities), and General Revenue Bond Fund (for the headquarters project).

Ms. Sims the Solid Waste Education program and the Recycling Information Center were proposed to be included in the Public Affairs Department. She noted no new departments were created. She said a 6% excise tax is proposed, with no change in property taxes. She said the Zoo did not propose an increase in admission fees, while an increase in solid waste disposal fees was proposed at \$75 per ton.

She said the budget assumed a cost of living adjustment (COLA) of 4%, step-merit increases of five percent, four percent inflation factor (where appropriate), interest earnings of four percent, and fringe benefit rates at twenty-five to thirty-seven percent.

Chair Van Bergen announced the meeting was to discuss phase one of the budget. He said the departments would be providing an overview of their budget and proposed changes. He noted the agenda was a second revised copy.

2. Support Services Fund
A. Fund Purpose and Overview

Ms. Sims distributed and summarized a handout, a copy of which is included in the record of this meeting.

Councilor Wyers asked how many actual increases in full-time employees (FTE's) to the support services fund were proposed. Ms. Sims said a total increase was 3.0 FTE.

B. Finance and Management Information Department

Ms. Sims distributed and summarized a handout, a copy of which is included in the record of this meeting.

Ms. Sims noted Jeff Booth would assume the position of Data Processing Manager, effective March 23, 1992.

Councilor Gardner asked if the transfer of the Metropolitan Entertainment-Recreation Commission (MERC) accounting staff was included in the proposed budget. Ms. Sims said it was included. Councilor Gardner asked about the End of the Oregon Trail Project work program. Ms. Sims said it was an evaluation of the feasibility of proceeding with a bond issue for the project. Councilor Buchanan asked if a need had been determined to initiate the project. Ms. Sims said there was an indication of need.

Councilor Washington asked about the current mail room practices for postage articles. Ms. Sims said each department maintains their own mailing list. She said postage savings are being examined through a variety of postal programs. Councilor Washington asked if the computers in the agency were uniform. Ms. Sims said there are a variety of different personal computers (PC's) used throughout the agency.

Ms. Sims distributed a second handout, a copy of which is included in the record of this meeting.

C. Public Affairs Department

Vickie Rucker, Director, Public Affairs and Marie Nelson, Public Affairs Supervisor distributed and summarized a handout, a copy of which is included in the record of this meeting.

Councilor Hansen observed that the figures in the handout did not accurately correspond to the proposed budget. Ms. Rucker indicated she would review the figures and provide an accurate update.

Councilor Devlin said that he did not want the reduction in the waste reduction program to be perceived as a disinterest by Metro

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in reducing waste flow. Councilor Wyers concurred, stating the first goal of the Solid Waste Department was waste reduction.

Councilor Wyers said the Public Affairs Department should be available to Councilors. Councilor Hansen noted the Council Department did not budget for Public Affairs services.

D. Office of General Counsel

Dan Cooper, Legal Counsel, stated his department did not propose any changes in FTE. He said an increase in Materials and Services would provide computer upgrades and an on-line legal computer research network.

Councilor Wyers asked what the contracted legal services would include. Mr. Cooper said the Risk Management Department would utilize outside counsel and some of the Reidel Composter related work had been contracted out. He said any bond counsel would require special services also.

Chair Van Bergen requested Mr. Cooper to resume quarterly reports of activity.

E. Personnel Office

Paula Paris, Personnel Director, said the proposed budget for the Personnel Department included, a transfer of two MERC personnel from the Coliseum to Metro; an increase in computer software and hardware; an increase in advertising expenses; and a class/comp study for the non-represented employees.

F. Regional Facilities Department

Neil Saling, Director, Regional Facilities, distributed and summarized a handout, a copy of which is included in the record of this meeting.

Councilor Wyers asked what projects still had construction support services. Mr. Saling said St. John's, the Hazardous Waste Facility and Metro South had construction support services budgeted.

Chair Van Bergen asked what facilities required seismic studies. Mr. Saling said the PCPA and headquarters facility would have a review. Mr. Saling noted the Americans with Disabilities Act program might be extensive.

3. Building Management Fund

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Mr. Saling said the Building Management Fund included alterations to the existing building to prepare the building to be leased; the transfer to the new building; and parking management.

Chair Van Bergen asked if a change in tax payments would occur if the existing building were leased to a for-profit organization. Mr. Saling said that scenario was not considered in the proposed budget. Chair Van Bergen asked if the sublet parking at the headquarters facility would require property tax payments. Mr. Saling said it was not considered in the proposed budget, and he would research an answer to the question.

Chair Van Bergen recessed the meeting at 7:25 p.m. Chair Van Bergen reconvened the meeting at 7:30 p.m.

4. General Revenue Bond Fund

Chris Scherer, Finance Supervisor, reviewed the proposed budget for the General Revenue Bond Fund. He noted a separate account was established for the headquarters project.

The Committee discussed arbitrage and capitalized interest. Mr. Scherer noted the bond funds could only be used on the headquarters project.

5. Risk Management Fund

Scott Moss, Risk Manager, introduced Rob Rayfield, Broker of Record, who summarized the Risk Management Report, a copy of which is included in the record of this meeting.

Chair Van Bergen asked if "horror" losses were considered by the consultant. Mr. Rayfield said they were considered by the actuary. Mr. Rayfield noted governments were protected by tort limits.

Councilor McLain asked if an adjustment would occur if the Trail Blazers assumed operations of the Coliseum. Mr. Rayfield said business interruptions would adjust the limits. Councilor McLain asked if the Trail Blazers would take over insurance responsibilities. Mr. Saling said they should, but it had not been agreed upon.

Mr. Moss summarized the proposed Risk Management program. He noted no staff changes were indicated. Chair Van Bergen asked if a cap would occur on the contingency fund. Mr. Moss said eventually the contingency would slowly incline, depending on programs.

6. Cost Allocation Plan for Central Funds

Ms. Sims distributed and summarized a handout, a copy of which is included in the record of this meeting.

7. Convention Center Project Capital Fund

Mr. Saling said a \$4.1 million dollar balance was left in the Oregon Convention Center Project Capital Fund. He said the money could be returned to the public through property tax rebate, or maintained for future projects. He said the money would be best used as 'seed money' for a parking garage and expansion of the southeast side of the exhibit halls. He said arbitrage payments had been budgeted to be made to the federal government in September.

Chair Van Bergen asked if the window washing problem had been solved. Mr. Saling said the windows were washed by an outside contractor and no special equipment was requested.

8 Convention Center Project Debt Service Fund

Mr. Scherer summarized the proposed Convention Center Project Debt Service Fund. He said changes in the fund would reduce debt service and consequentially reduce property tax. He said it would also stop the cycle of inter-fund transfers.

Chair Van Bergen said a policy issue existed: whether to only collect what was needed for operation or to collect the maximum possible.

9. General Fund

A. Fund Purpose and Overview
- Revenue Estimates

Ms. Sims distributed and summarized a handout, a copy of which is included in the record of this meeting.

Don Carlson, Council Administrator asked if the revenue from the excise tax was realistic. Ms. Sims said that area was the most uncertain area of the budget and a \$600,000 cushion had been provided for any deviation.

Councilor Wyers expressed concerns about this area in the proposed budget. The Committee discussed the solid waste revenue funds.

B. Executive Management Department

Dick Engstrom, Deputy Executive Officer, said a .50 FTE transfer from Executive Management to Public Affairs was proposed. He said

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an increase of \$75,000 in the Training, Tuition, and Conference account was for the NARC conference.

C. Office of Government Relations

Betsy Bergstein, Senior Management Analyst, distributed and summarized a handout, a copy of which is included in the record of this meeting.

Councilor Wyers said the government relations position should represent the Council, not just Executive Management. Mr. Carlson noted the proposed budget for the Office of Government Relations needed further examination.

The Committee discussed the "new initiatives" program.

D. Council Department

Mr. Carlson summarized the proposed Council Department budget. He said a .50 FTE was proposed for constituent outreach (a new program).

The Committee discussed the function of the proposed constituent outreach position.

Councilor Wyers thanked the other Councilors for their attendance at the meeting.

With no further business before the Committee, Chair Van Bergen adjourned the meeting at 9:35 p.m.

Respectfully Submitted,



Susan Lee
Committee Clerk

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