

MINUTES OF THE COUNCIL BUDGET COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

March 25, 1991

Council Chamber

Committee Members Present: George Van Bergen (Chair), Sandi Hansen (Vice Chair), Roger Buchanan, Richard Devlin and Judy Wyers

Committee Members Absent: None

Also Present: Executive Officer Rena Cusma

Chair Van Bergen called the meeting to order at 5:45 p.m.

1. Presentation and Discussion of Centralization/Decentralization Study

Neil Saling, Acting Director of Regional Facilities, presented the Centralization/Decentralization Study for the Metropolitan Service District dated March 25, 1991, by Benson & McLaughlin, P.S. (B&M) Mr. Saling noted the study was commissioned in response to an FY 1991-92 budget note.

Keith Oratz, B&M, listed B&M consultants who developed the study and said the study began in January with data collection. Mr. Oratz discussed methodology and said the Request for Proposals was specific to areas of concern. He said as the project evolved, B&M determined the study should focus on necessary future events. He noted only two pages of the report were devoted to Metro/Metropolitan Exposition-Recreation Commission (MERC) history. He said the driving force behind the study was the MERC integration under Metro's auspices, but also included impacts across the whole organization.

Mr. Oratz said 35 interviews were conducted, documents were reviewed, where the organization might be at risk was assessed, and support services were analyzed. He said Metro provided a range of services and said the issues centered on continuum or compliance, or what departments needed to do what tasks to meet their fiduciary duties. He said two departments were meeting their fiduciary duties only and said that could be due to lack of resources or understanding as to what their specific duties entailed. He said the study result was much more than a centralization/decentralization study because the project evolved into an organization needs study as well.

Mr. Oratz gave general observations on areas/departments that could use further evaluation and/or attention. He noted the Public Affairs Department was well run with a strong desire for service but said there was a need for measurement/performance tools. He said work product could be determined and then steps and procedures could be delineated to determine how to achieve that work product.

Mr. Oratz said there did not seem to be a clear responsibility for budget compliance. He said functional departments should be assisted by the Accounting Department to determine their budget function. He said department accounting implementers needed to be trained. He said

Accounting gave good, detailed reports but that their users were not able to read them. He said there should be more on-line review capability. He said contracts were not included in the system as purchase orders were and said that presented a risk to the organization. He said accounting functions were physically located in the right places and said event settlement should stay with MERC with the proviso there be more extensive accounting trails. He said there should be more communication on purchase orders and why they were held. He said the MERC accounting system was a manual one and should be in line with Metro's accounting procedures if Metro Accounting staff were given additional support.

He said user contact teams should be established to exchange information, problem solving and offer assistance. He said those teams should meet with the Executive Officer and utilize agendas with time lines.

Mr. Oratz said Metro should do all paychecks and noted there did not seem to be clear responsibility for bond and grant compliance. He asked whether that function should be under Legal Counsel's auspices or combined with Contracts.

Mr. Oratz discussed procurement. He said procedures currently used were not functional. He said procurement operated as a filing organization and said that area needed extensive attention. He said there was a need for at least six to seven FTEs within a procurement area. He said there were two sets of procurement procedures used by Metro and MERC. He said the organizations did not know which procedures to follow and that variances should be provided for exceptions such as the Zoo gift shop. He said the federal procurement model was considered, but said that model was not yet necessary if necessary systems were analyzed to provide procurement services. He said there was a haphazard approach to office supplies and stores functions and said those areas could be more cost-effective.

Mr. Oratz discussed personnel and human resources. He said the trend towards human resources was good and urged its continuation. He urged Metro and MERC continue integration into one personnel department. He said personnel records should be consolidated at Metro Center to achieve electronic record keeping and confidentiality. He said a human resource center should be maintained at MERC and said "dual intake" locations could rotate personnel and cross train them and create an enhanced resource. He said the Employee Assistance Program should be implemented as soon as possible, especially in light of the employee responsibility involved. He said Personnel could benefit via a work management program.

Mr. Oratz said the Data Processing division was underrated and should be a department with its own director. He said islands of information had developed around the organization. He said there was a strong need for a data processing plan.

Mr. Oratz said the Office of General Counsel was service-oriented and appeared to need more data processing equipment.

Mr. Oratz said the lack of cohesiveness as described would impede Metro's organizational future. Mr. Oratz discussed decentralization/centralization issues further and summarized previous points given.

Mr. Oratz offered recommended immediate actions to take. He said the Strategic Planning process should be analyzed to see how it tied in with the organization's goals and mission and determine subsequent development of services. He said Public Affairs should be analyzed because of overlapping of services and recommended development of work measures. He said Data Processing services should be assessed and duplication of services within the organization should be assessed.

Councilor Devlin noted Metro was in the middle of the budget process for FY 1991-92 and asked how B&M's recommendations should be assessed. He said based on some recommendations, the estimated budget would have to be modified. Mr. Oratz said that issue was discussed with Mr. Saling. Mr. Saling said Metro was not involved with the on-going study and said the budget was not driven by the study. He said the budget was not redone in response to the study and that some budget requests had coincided with the study's recommendations. He said the budget and study could be analyzed concurrently.

The Committee discussed how the study could be evaluated in conjunction with the budget. Chair Van Bergen said the time line was too short to fully evaluate the study especially during the budget process, but said the ideas expressed in the study were fascinating. The Committee directed Council staff to assess the study and how it coincided with current budget recommendations. The Committee and staff further discussed the study and follow-up actions that could be taken.

2. Committee Schedule Re: Support Service Fund/General Fund/Insurance Fund/Building Management Fund Departments

Don Carlson, Council Administrator, distributed Exhibit A Guidelines for the Expenditures of Council Per Diem, Expense and General Materials & Services Accounts and a memorandum from Councilor Devlin dated March 22, 1991, "Governmental Affairs Committee Budget Recommendations."

Chair Van Bergen adjourned the meeting at 6:57 p.m.

Respectfully submitted,



Paulette Allen
Clerk of the Council