

APPROVED
Date 7-14-93

MINUTES OF THE METRO COUNCIL BUDGET COMMITTEE

Metro Center
Council Chamber
April 6, 1993

Committee Members Present: Rod Monroe (Chair), Richard Devlin (Vice Chair), Jon Kvistad, George Van Bergen, Roger Buchanan

Committee Members Absent: none

Other Councilors Present: Mike Gates, Ruth McFarland, Ed Washington, Terry Moore

Chair Monroe called the regular meeting to order at 5:35 p.m.

PHASE II REVIEW

1. GENERAL FUND
A. COUNCIL DEPARTMENT

Don Carlson, Council Administrator, presented the Council Department Budget. He summarized the significant changes in the proposed 1993-94 Budget from the 1992-93 budget.

Mr. Carlson discussed the Councilor Expense guidelines including food expenses. He noted the policy issues related to this subject were being examined by the Governmental Affairs Committee.

Mr. Carlson distributed a memorandum from Jennifer Sims, Finance and Management Information Director, dated March 23, 1993, a copy of which is included in the record of this meeting. The memorandum discussed a reduction in the Council Department fringe rate. Mr. Carlson noted he would examine the merits of the proposal further.

Mr. Carlson discussed the election expenses. He noted a proposal was made to share election expenses with Executive Management. He noted that this would be a policy issue that the Council would need to resolve.

Councilor Buchanan asked if a staff person was proposed to assist the Council Presiding Officer and the Council. Chair Monroe noted the Presiding Officer was preparing a job description and proposed staff level. He noted the information would be forwarded to Mr. Carlson for consideration.

Councilor Gates questioned the reduction in the Social Security liability. Kathy Rutkowski, Senior Management Analyst, said she would investigate the issues. Councilor Devlin said he understood there was a special rate for elected officials.

2. METROPOLITAN EXPOSITION-RECREATION COMMISSION

Jeff Blosser, Acting General Manager, introduced Ron Kawamoto, MERC Commissioner, and Robert Freedman, PCPA Director.

F. SPECTATOR FACILITIES OPERATING FUND
►Portland Center for the Performing Arts
►Civic Stadium

Mr. Freedman summarized responses to Council staff questions related to the proposed budget. Those responses are included in a memorandum from the MERC Staff to Casey Short, Council Analyst, dated April 5, 1993, a copy of which is included in the record of this meeting.

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Chair Monroe asked if rehearsals might be held elsewhere to allow the facilities to be used for events. Mr. Freedman explained that the Arlene Schnitzer Concert Hall was dedicated to allow the Portland Symphony to rehearse in the hall they perform in. He noted operas rehearsed at another facility. He stated there were no excessive rehearsals at the facilities.

Councilor Moore asked about the use of facilities for rehearsal by the theater productions. Mr. Freedman said the Oregon Shakespeare Festival used one week per performance to load one show out and the next show in. He said they book the facility from October through April. He noted they did not use the facility on Monday and if possible the theater is booked. He explained that most of the productions paid for "dark nights" at a reduced rate.

Councilor Buchanan asked if the inadequate seating at the Schnitzer and Winningstad theater was being addressed. Mr. Freedman noted that the theaters were being sold out. Councilor Buchanan noted many people were not purchasing season tickets to the Symphony because the seating was uncomfortable. Mr. Freedman noted the Americans with Disabilities Act (ADA) would result in millions of dollars in changes. He said he would favor changing the seating, but funding was not currently available.

Chair Monroe asked if other performances might be scheduled. Mr. Freedman stated no policy prohibited the booking of alternative performances. He noted several comedians were booking the facilities. Councilor Moore asked if proms and weddings booked the facilities. Mr. Freedman said proms and weddings did utilize the facilities.

Related to salaries, Mr. Blosser noted a salary freeze would save approximately \$337,000 for all employees.

Related to the building rental paid to the First Congregational Church, Mr. Short noted the rate had fluctuated in the past. Mr. Freedman did not offer an explanation as to the fluctuation. He speculated that there were some tax liabilities. He said he would investigate the matter further. Dominic Buffetta, Director of Finance and Administration, noted some property taxes were made in agreement with the City of Portland.

Mr. Short asked the Budget Committee for direction for Phase III proposals. The Committee discussed the eventual exhaustion of the Spectator Facility Fund. Commissioner Kawamoto expressed concerns about including the MERC Budget Committee in any discussion related to proposed budget reductions. He advocated including the MERC Budget Committee in all discussions related to their budget.

A. METROPOLITAN E-R COMMISSION OVERVIEW

B. MERC ADMINISTRATION FUND

Mr. Blosser summarized the responses to the MERC Budget included in the same memorandum Mr. Freedman discussed, a copy of which is included in the record of this meeting.

Related to the OCC Operating Fund transfer increase, Mr. Short requested additional clarification. Mr. Blosser explained the OCC Fund had additional funds available to allocate, and that the Spectator Facilities Fund was limited. Mr. Buffetta made an attempt to explain the change. He stated that comparison to past years could not be made because the elimination of the Coliseum made the allocations significantly different.

Related to the salary and classification, Mr. Short asked for additional clarification. He noted without duties and descriptions defined, the salaries were not justified. He asked if the proposed positions were interim until the organizational chart was developed. Chair Monroe noted perhaps the General Manager would make adjustments following an evaluation of the organization. Mr. Blosser said those issues would need to be resolved. Chair Monroe said a request to add would be better than a request for reduction. He favored a conservative approach, understanding a budget amendment might be necessary. Councilor Devlin asked what basis for hiring would be used. Mr. Blosser noted a stadium manager and capital construction manager might be necessary at this time.

Councilor Devlin suggested budgeting incumbent positions while allowing contingency for those proposed positions. Mr. Short noted the personnel office did not have an opportunity to review the proposed positions. Mr. Blosser noted the Personnel Department would be reviewing those positions. Councilor Washington said the interim General Manager might create additional perceived "state of flux." He favored regular communications between the acting General Manager and the Regional Facilities Committee.

Related to the Coliseum transfer, Mr. Short requested an estimate of costs related to the elimination of the Coliseum operation. Mr. Blosser noted the Coliseum provided support to the other facilities. He noted the support would still need to be provided to the other facilities. He said he would attempt to provide a more accurate analysis.

C. OREGON CONVENTION CENTER OPERATING FUND

Mr. Blosser discussed the responses to OCC Budget, a copy of which is included in the record of this meeting.

In response to a question from Mr. Short, Mr. Blosser noted the management of the OCC Capital Fund could be managed through the current MERC Administration staff provided the Expo transfer did not occur. He stated if the transfer occurred additional staff might be required.

Mr. Short asked about the Portland/Oregon Visitors Association (POVA) marketing contract. Mr. Blosser briefly explained the history of the POVA contract and relevant billing activity. He explained a potential increase in the contract related to the Hotel/Motel tax.

Mr. Short explained facility parking.

D. CONVENTION CENTER RENEWAL & REPLACEMENT FUND

E. COLISEUM OPERATING FUND

Candy Cavanagh, Acting Civic Stadium General Manager discussed the Civic Stadium revenue income. She emphasized the importance of the concert staging equipment in relationship to the booking of concerts.

Councilor Kvistad asked if any noise mitigating factors existed in concert bookings. Ms. Cavanagh noted no specific changes were requested. She stated that the types of concert bookings would reflect the noise issue specifically, avoiding rock concerts. She said they were also working with the Goose Hollow Neighborhood Association. Councilor Moore favored soliciting input by the local residents.

Councilor Devlin asked about the current status of the Portland Beavers' contract. Mr. Blosser said there was a potential risk that the Beavers would relocate. He noted the revenues for the Beavers events were modest. Councilor Devlin asked if the baseball franchise would be replaced. Mr. Blosser said it was desirable to negotiate a better contract with the Beavers or a new contract with another franchise. Councilor Gates asked if other sports leagues had expressed interest. Mr. Blosser said the Canadian Football League (CFL) and other small leagues had expressed interest.

Councilor Van Bergen asked if there was a benefit related to increased jobs due to the facilities operations. Mr. Blosser noted an outside firm could be contracted to conduct such a study. Councilor Van Bergen strongly favored conducting such a study.

Chair Monroe recessed the meeting at 7:50 p.m. Chair Monroe reconvened the meeting at 8:00 p.m.

3. METRO WASHINGTON PARK ZOO
A. ZOO OPERATING FUND
B. ZOO CAPITAL FUND
C. ZOO REVENUE BOND FUND

Kay Rich, Assistant Zoo Director, discussed the Zoo budget. He discussed the increase in personnel. He noted many of the positions were directly related to an increase in revenues and the positions would readily be funded. He summarized the revenues at the Zoo.

Dr. Rich responded to questions in Mr. Short's March 31 1993 memorandum (page 3), a copy of which is included in the record of this meeting. Related to property tax receipts he stated the figures provided by the Zoo staff were conservative. He noted the attendance projection was projected to remain the same.

The Committee discussed effects of the highway improvements and light rail construction related to Zoo attendance. Sherry Sheng, Zoo Director, summarized the construction schedule.

Dr. Rich noted if the excise tax was collected at 6%, the Zoo would realize a higher fund balance. Councilor Moore asked if the excise tax was not raised, would the admission fee be increased. Ms. Sheng explained that the admission fee did not relate to the excise tax. She said the fee was related to relevant admission prices, inflation, and other factors. She noted the fee increase was proposed as part of a long term plan. Councilor McFarland discussed the history of the admission fee increases.

In response to questions by Councilor Kvistad, Ms. Sheng spoke to enterprise revenues. She explained the difference between enterprise revenues and fund raising efforts.

Dr. Rich discussed responses to expenditure questions. He said in-house security was more expensive but desirable to contracted services. He said special training was required due to the nature of the facility and hazardous waste handling. He noted contracts required low-bid awards and often the service was not comparable to in-house security. He also noted there was a high turn-over among contract security officers. He said some contract security was requested for concert events. He noted the surveillance equipment requests was to monitor internal theft problems.

Robb Rudd, Development Officer, spoke to activities funded by outside grants. He noted the Friends of the Zoo were committed to fund the Center for Species Survival for three years. He spoke to significantly increasing research grants to provide funds and support for the center.

Dennis Pate, Curator, explained the components of the Center for Species Survival. He noted the assistant curator was included in error. He said the membership in professional associations had been combined in one line item and did not represent an increase. He noted Myanmar was formerly known as Burma.

Mr. Short asked how much of the funding for the new veterinarian would come from grants. Ms. Sheng noted full-time coverage would be provided with the increase. She said half of the FTE would be funded through grants. She said the level of staffing would be continually evaluated.

Ms. Sheng spoke to the marketing related questions. She said some corrections would be provided related to staffing and were forthcoming in writing. Related to clipping services, Ms. Sheng noted the services included local, state and nation wide service.

Related to Design Services, Ms. Sheng noted the permit costs or architectural costs were paid for by the Capital Fund.

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Ms. Sheng discussed the Zoo Capital Fund questions. She said the people mover was a fuel driven cart to carry people and would be partially funded through fees. She said the Graphics/Events Workshop was to provide a new larger space.

Ms. Sheng discussed the alternatives for funding the capital improvement project. She favored proceeding with the design assuming funding for construction would be through a public/private partnership. She said the Friends of the Zoo was conducting a feasibility study of the funding. She noted non-traditional sources would be sought. She explained that future capital improvements were minimal.

Councilor Van Bergen asked what the operating expenses for the Oregon exhibit would be. Dr. Rich indicated \$230,000 was anticipated. Councilor Van Bergen asked what the minimum operating fund balance would be. Ms. Sheng said \$600,000 was the minimal amount she would feel comfortable with.

Craig Prosser, Financial Planning Manager, explained the support services transfer from the Zoo. He offered to supply a more complete analysis. Councilor Van Bergen stated his impression of the increase related to the Metro Regional Center. Mr. Prosser stated the Metro Regional Center costs were allocated only to the occupants. In response to Mr. Short, he agreed that a portion of the support services costs related to the Metro Regional Center.

Chair Monroe announced the schedule for the Phase III Budget Considerations.

With no further business before the Committee, Chair Monroe adjourned the meeting at 9:05 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Susan Lee".

Susan Lee
Committee Recorder