

ACTION MINUTES OF THE
METRO BUDGET ADVISORY COMMITTEE

April 7, 1987

Members Present:

Councilors: Corky Kirkpatrick (Chair) and David Knowles
Citizens: Bernie Bottomly, Becky Charles, Linda Girard,
Ron Hohnstein, David Little and Oladopa Sobomehin

Members Absent:

Councilors: Mike Bonner, Tanya Collier, Larry Cooper and
Gary Hansen

Staff Present:

Intergovernmental Resource Center: Marc Madden
and Andy Cotugno
Council: Donald Carlson and Ray Barker
Executive Management: Richard Engstrom and
Chuck Stoudt
Finance and Administration: Ray Phelps,
Jennifer Sims, LeRoy Nollette and Don Cox
Public Affairs: Vickie Rocker and Joan Saroka

Chair Kirkpatrick called the meeting to order at 5:40 p.m.

INTERGOVERNMENTAL RESOURCE CENTER (IRC).

Marc Madden, Provisional IRC Administrator, and Andy Cotugno, Transportation Director, presented an overview of the IRC proposed budget and major program areas. Mr. Madden stressed additional programs and responsibilities had been added to the Department's budget and he was looking forward to a productive new year. When asked by Chair Kirkpatrick, Mr. Madden and Mr. Cotugno said the proposed budget did not deviate from the budget recommended by the Joint Policy Advisory Committee on Transportation (JPACT) and the Transportation Policy Alternatives Committee (TPAC).

IRC staff responded to questions posed by the Council staff in the form of a memo to the Budget Advisory Committee from Ray Barker entitled "Questions on Proposed Intergovernmental Resource Center Budget."

Goals:

- Q. What specifically is planned by IRC to foster economic development?
- A. Mr. Madden explained the department's transportation planning, population and employment forecasting activities all fostered development. Good roads were especially important to economic development, he said.

Organization:

- Q. What is the nature and purpose of the possible reorganization of the IRC? When is the reorganization expected? How will it affect the IRC and other department budgets?
- A. Mr. Madden explained the Council would receive a briefing on April 23 regarding the recommendations of the Executive Officer's IRC Transition Committee. The Committee would recommend changes in the Department's organization which would place certain functions in more logical places. The Committee's report would be presented in advance of any budget recommendations.
- * Councilor Knowles recalled the Committee had determined April 14 would be the cutoff date for the Executive to submit budget changes for review by the Committee. He emphasized that if changes were not received by April 14, amendments would have to be included in a supplemental budget which could only be adopted after the certified FY 1987-88 budget was adopted (most likely, after July 1, 1987).

Councilor Kirkpatrick explained it was the Council's expectation the Executive's proposed reorganizations be included in her recommended annual budget. She reflected her disappointment that had not occurred.

Programs:

- Q. What specifically is planned regarding a regional park study?
- A. Mr. Madden reported a Regional Parks Task Force would conduct a meeting on April 21 to make recommendations regarding the study. He expected the study to begin before June 30, 1987. Funds not expended in FY 1986-87 for the study could be carried over FY 1987-88, he said.
- * Chair Kirkpatrick asked that adequate funds for the parks study be carried over to the FY 1987-88 budget as necessary.
- Q. What specifically will Metro's role be with the Regional Adult Corrections Task Force and what funds will be available to assist that effort?
- A. Mr. Madden said the IRC would provide any level of service requested. However, he explained, some differences of opinion existed among local jurisdictions about whether a regional approach was the best approach. Again, he said the IRC was prepared to extend its staff and office to assist as requested.

- Q. Councilor Waker has suggested the IRC consider a work program element to update the Urban Growth Boundary (UGB). Are periodic updates required? Should an update be included at this time?
- A. Mr. Madden responded the IRC budget included adequate funds to provide for the periodic review of the UGB during FY 1987-88.

Revenue:

- Q. Which of the grants reflected in the budget have been secured; which are likely to be secured; and which ones may not materialize? Were there grants included in last year's budget that were not received?
- A. Mr. Cotugno said some grant funds had not yet been secured and he expected all to be secured because they represented routine business.
- Q. When does the authorization for dues assessment to local governments terminate and what is being done to extend or replace this revenue source?
- A. Mr. Madden responded that legislation authorizing Metro to assess dues would sunset June 30, 1989. Metro had several options: 1) request the Legislature adopt legislation to continue the current arrangement and assess dues at the current level or at a higher level; 2) seek excise tax revenue to provide services formerly funded by dues; 3) seek a Metro general tax base to provide services formerly funded by dues; or 4) seek no new revenue sources. Mr. Cotugno added that staff would be seeking Council guidance on the matter. Mr. Madden said staff would probably not make a recommendation until the outcome of current state legislation regarding funding proposals was known. Mr. Madden agreed with Chair Kirkpatrick that excise tax revenue was not intended to fund the IRC.
- Q. \$25,000 was expected from professional services during FY 1986-87. What has been received to date? What do you plan to do if you do not receive the \$24,000 estimated for this coming fiscal year?
- A. Staff reported professional services revenue was received to do specific work. \$18,000 had been received to date for FY 1986-87. That same level of funding was expected for the new fiscal year. If the additional revenue was not received, staff would not, of course, do the unrequested work.

- Q. What are the major reasons the fund balance is estimated to be \$261,427?
- A. Mr. Cotugno explained the fund balance as follows: \$119,000 was FY 1986-87 unspent local government dues revenue attributable to unfilled staff vacancies and unexpected LCDC grant revenue; \$106,000 represented the second year carryover for a two-year transportation forecasting grant; \$13,500 was for bike map revenue; \$11,000 represented UGB application fees not expended; and \$11,000 was for transportation data sales revenue. Mr. Cotugno said all carryover would be expended during FY 1987-88.
- * Chair Kirkpatrick said the IRC needed to be put on notice that it was expected to fulfill its program obligations for the new year. She said she was alarmed by the lack of product during the current fiscal year.
- Q. Why isn't there any interest revenue from investments shown in the IRC fund?
- A. Mr. Cotugno responded that the Department usually experienced negative fund balance due to a lag in revenue receipts. Because some dues funds would be carried over into the new year, the department would show interest earned on that carryover for the first time in FY 1987-88.

Expenditures.

- Q. Personal Services. The FY 1986-87 budget included staffing for the Convention Center Committee. Now that that is no longer a task of the IRC, what shifts have taken place in staff assignments, and what new assignments are included?
- A. Mr. Madden reported that staff would not be reduced because of IRC's increased responsibilities. A staff person would be hired to the position vacated by former IRC employee Neil McFarlane who had transferred to a Convention Center Project position. The new staff person would be assigned duties reflecting IRC's current program priorities.
- Q. Materials and Services. The training and tuition costs requested are almost double that budgeted for last year. What is the reason?
- A. Mr. Madden explained he wanted to maximize the talents of very good people by upgrading staff training. Training would be especially important due to the acquisition of new computer hard and software.

- * Chair Kirkpatrick pointed out that Ray Phelps' findings submitted to the Executive Officer had raised questions about inconsistencies in Metro's travel policies. Mr. Phelps said new policies would be reported to the Committee.

- Q. Materials and Services. Payments to other agencies does not appear in the line item justification sheets. Is this for pass-through of technical assistance funds?

- A. Mr. Cotugno answered the payments were for pass-through of such funds.

- Q. Capital Outlay. Is the proposed computer hardware and software consistent with Metro's Data Processing Plan? What are the proposed applications?

- A. Staff explained the computer equipment was consistent with the Plan and it would be used for mapping socio-economic data and traffic engineering programs.

- Q. Transfers, Contingency, Unappropriated Balance. The proposed budget provides for contingencies totaling \$104,457. No contingencies appear for previous years. Why? (The approved FY 1986-87 budget provided a contingency of \$34,970.)

- A. Mr. Madden said that question had been answered earlier when staff had responded to questions about carryovers from FY 1986-87. He said FY 1987-88 would be the first year a real contingency funds would exist.

Chair Kirkpatrick was pleased the budget would have the flexibility of a contingency fund.

GENERAL FUND.

Dick Engstrom, Deputy Executive Officer, presented a brief overview of the General Fund and handed out written information summarizing the funds' major activity areas. He then introduced General Fund Department Managers to explain their budget programs.

- * Mr. Engstrom acknowledged receipt of a memo from Ray Barker to the Budget Advisory Committee regarding "Questions on Proposed General Fund Budget." After discussion, it was agreed he would provide written responses to those questions at a later date rather than take time to answer them at this meeting.

Cost Allocation Plan. Jennifer Sims, Management Services Director, explained Metro's plan for allocating general fund expenses to departments. Costs were calculated based on actual use of services and space. She said she would provide the Committee with written information explaining how costs were calculated.

- * Chair Kirkpatrick asked Ms. Sims to explain the significant increases in transfers from departments to the General Fund. She said the Council had received a firm commitment from the Executive that she would not increase transfers as a result of Council and Executive Management Department reorganization and subsequent budget adjustments.

Council Department. Donald Carlson, Council Administrator, distributed written information which outlined changes to the proposed budget as a result of an action to reorganize the Council and Executive Management Departments adopted by the Council on March 26, 1987. He explained the changes were designed to create staff support for the Metro Council in response to the Executive Officer's desire for more separation between the Council and Executive branches of government. The amended budget also transferred expenses related to financial and performance auditing to the Council Department. These audits, he explained, were a check on the Executive's administration of the agency and auditors reported their findings directly to the Council.

- * Ron Hohnstein noted the amounts budgeted for employee fringe benefits throughout the budget seemed high when compared to the private sector. Chair Kirkpatrick asked Ray Phelps to provide the Committee with a comparison of Metro's fringe benefit costs compared with other local jurisdictions. She asked this comparison be done as simply as possible (making phone calls).

Chair Kirkpatrick explained the Council had discussed raising the amount paid to Councilors for per diem. She said Councilors were attending an increased number of meetings and some Councilors actually lost personal income when they had to be away from work attending Metro meetings. Ray Barker, Council Assistant, then distributed comparative information concerning different per diem and expense rates paid by other governments to their councils, boards or committees. Chair Kirkpatrick said the Council had asked Mr. Barker to compile the information. She and Councilor Knowles asked citizen Committee members to provide comment on whether the per diem amount should be raised. Mr. Carlson reviewed the rules governing Councilor per diem and expenses.

Mr. Sobomehin questioned the need for increases since the price of gasoline and other goods had not significantly increased in the past few years. He also explained that when he volunteered to serve on boards, he did not expect to receive compensation for that service.

Mr. Little was concerned that if Councilors were paid for each meeting they attended, the bureaucracy could be perpetuated and more meetings could be generated.

Ms. Girard favored a per diem increase if it were allocated fairly. She explained there were many hidden costs in volunteering to serve on a board and that Councilors should be fairly compensated for those costs.

Mr. Hohnstein favored the increase but qualified his support saying he had not discussed Metro's policy with other government bodies in order to make a comparison.

- * Chair Kirkpatrick said she sensed no strong objection to an increase in the Councilor Per Diem line item amount and noted the proposed annual amount for all Councilors would be increased to \$30,000 for final Council approval.
- * Councilor Knowles requested the Executive Officer comment to the Budget Committee regarding the proposed transfer to financial and performance auditing expenses to the Council Department budget.

Executive Management Department. Dick Engstrom, Deputy Executive Officer reviewed key elements of the department's budget and amendments that had occurred because of the Council's March 26 decision to reorganize the Executive Management and Council Department budgets.

Public Affairs Department. Vickie Rocker, Public Affairs Director, presented the budget overview. She used slides and various graphics to illustrate the department's work programs and discussed the policy of moving solid waste program positions back to the Public Affairs budget.

Chair Kirkpatrick expressed concern with the way public affairs expenses were reflected in the budget. She approved of the personnel services expenses being budgeted under Public Affairs but thought it best to budget materials and services expenses under the various departments. She explained Public Affairs should work similar to a job shop and other departments would be the clients. The advantage, she pointed out, should be greater staff flexibility. Finally, she questioned why the Executive's proposed budget philosophy had not been applied to the Convention Center Project and Zoo.

- * Chair Kirkpatrick requested the above concerns be addressed during the Priorities and Objectives Work Session of the Council scheduled for April 22.
- * Chair Kirkpatrick was concerned the main receptionist position had been transferred from Public Affairs to Finance & Administration, pointing out the position was the primary information contact for most people. She advised adding clerical support to the Public Affairs budget in order to keep the receptionist and her back-up in Public Affairs.

Councilor Knowles expressed concern about the three-year Coates Advertising contract and questioned how the results of their work product would be measured. Ms. Rocker and Joan Saroka, Public Information Specialist, reviewed staff's program for evaluating results of the waste reduction advertising campaign. Of the evaluation tools used, Ms. Rocker said the increased number of calls at Metro's Recycling Information Center was the best indicator of the campaign's success.

Chair Kirkpatrick announced that the Finance and Administration Department's budget would be reviewed at the next Committee meeting due to the late hour. She reviewed key requests of staff for more information:

- * The Executive Officer's views on a proposed transfer of audit expenses to the Council Department's Budget
- * Comparative fringe benefit information
- * Richard Engstrom's written response to the memo from the Council Assistant regarding General Fund Budget questions
- * Address concerns raised about the receptionist position being transferred out of the Public Affairs Budget
- * Address concerns raised about the inconsistently applied philosophy of budgeting public arrairs workers under the Public Affairs Department budget; and report on the feasibility of budgeting all related materials and services expenses in the Public Affairs budget

Chair Kirkpatrick adjourned the meeting at 8:45 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

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