

MINUTES OF THE COUNCIL BUDGET COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

April 10, 1991

Council Chamber

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

Committee Members Absent: None

Other Councilors Present: David Knowles

Chair Van Bergen called the regular meeting to order at 5:40 p.m.

1. SUPPORT SERVICES FUND

A. Phase II Review

- o Finance and Management Information Department
 - Accounting
 - Information Systems
 - Office Services
 - Finance

Jennifer Sims, Finance and Management Information Director, distributed two memorandums dated April 10 which contained departmental responses to budget questions contained in memorandums from Council Administrator to the Budget Committee dated March 18 and March 21. Ms. Sims indicated also she would distribute a draft of the Data Processing Plan.

Ms. Sims referred to her April 10 memorandums and discussed responses to budget questions in the March 18 and March 21 memorandums from Council Administrator. She discussed also the reasons presented in chart form for departmental requests which outlined unmet requirements and implications of nonperformance as well as departmental division of responsibilities. She said all positions requested were essential to the needs of the department. She said the department was accomplishing meeting compliance levels. She said the department was not able to provide service levels desired by other Metro departments.

Ms. Sims said the departmental needs to be able deal effectively with new developments, and said several items in the current year required departmental involvement which were not in the planned list.

Councilor Buchanan inquired regarding the two requested positions, Associate Management Analyst and Management Analyst Supervisor, and

(Continued)

COUNCIL BUDGET COMMITTEE

April 10, 1991

Page 2

asked what would happen if only one request were funded. Ms. Sims said proactive long range planning for Charter Committee, Tri-Met review, Greenspaces and other emerging programs would be restricted.

In response to Councilor Buchanan, Ms. Sims indicated the percentage of supervision attributed to the supervisory position would be 10% to 15% and 90% work.

Councilor Devlin commented regarding Washington County system options and asked about the ramifications of non-compliance with Ordinance No. 89-319 in seeking financing. Ms. Sims indicated tracking the use of funds was a new responsibility under the issuance of revenue bonds, and said, although the department was in compliance, the requested positions were a priority to effectual departmental operations and strengthening Metro rating agency presentations.

Ms. Sims distributed a draft of the Data Processing Plan and said the plan was undergoing final review by department heads, outside experts and the data processing user group. She said four requirements were identified in the plan and said they included the 1) communications study, 2) the upgrade of the A Series central processing unit from an A/4 to an A/6, 3) maintenance and operation of the solid waste network system, and 4) provision of programming support for accounting software system.

Ms. Sims noted she had received a request from four department heads, Bob Martin/Solid Waste, Rich Carson/Planning and Development, Andy Cotugno/Transportation Planning and Vicki Rocker/Public Affairs, to add additional positions to the data processing staff to support the networking of the Regional Land Information System (RLIS).

In response to Councilor Devlin, Ms. Sims said the memorandum dated April 10 requesting two new positions from Data Processing Administrator, LeRoy Nollette was a formal request. Councilor Devlin requested the department provide allocation information of the proposed positions among the four departments noted.

o Public Affairs Department

Vickie Rocker, Public Affairs Director, presented departmental responses dated April 10 to budget questions from Council Administrator and discussed reasons for proposed budget requests.

Councilor Devlin asked how did the Public Affairs Department provide timely response to individual departmental requests. Ms. Rocker indicated the proposed staff would enable the department to adequately handle requests. In response to Councilor Devlin, Ms. Rocker said Graphics staff charged each job individually and other areas utilized the time sheets to attribute time specific to each department.

o Office of General Counsel

Daniel B. Cooper, General Counsel, discussed departmental responses to Council Administrator's budget questions, and he noted responses had been drafted in a letter dated April 6 which was mailed to the committee. This document has been provided to the Council Department and made a permanent part of the meeting record.

In response to Councilor Wyers, Mr. Cooper noted solid waste projects the department was currently involved with included the composter, Metro Central Transfer station, Metro South remodeling, 1% for Recycling program, neighborhood enhancement projects contracts, committees for composter and transfer station, Washington County transfer station procurement process, waste reduction program, franchising code, and solid waste disposal regulation (flow control) and indicated no funds were expended for additional help for these projects. Mr. Cooper answered Councilor Wyers' question regarding a secretarial spot that was not filled, and said a staff person was hired who quit after three weeks. He said a four month process occurred for hiring a General Counsel staff person.

In response to Councilor Hansen, Mr. Cooper said usually the more innovative the project the earlier in the project the Office of General Counsel is consulted.

Councilor Devlin asked if the department could speculate as to the amount of time which would be needed for the Charter Committee. Mr. Cooper said a counsel staff would probably need to attend every meeting and perform follow up analysis. Councilors Devlin and Hansen asked also regarding counsel staffing of sub-committees and other projects.

Chair Van Bergen said he felt the Office of General Counsel could be served by having representative administrative staff in attendance at meetings who would do follow up reporting to the department. He indicated this could be a direction for the future. Mr. Cooper suggested also funding be placed into each Metro department budget from which the department would expend funds for legal services.

Chair Van Bergen and Councilor Wyers questioned the advisability of providing legal services to the enhancement committees and the 1% for Recycling program.

Chair Van Bergen recognized Councilor Knowles who addressed the committee.

Chair Wyers noted for the record that it was within the chair's prerogative to rearrange the agenda.

Councilor Knowles thanked the committee for the opportunity to speak, and said his remarks addressed both opportunities and problems in the Metro budget.

He said there was significant growth in the excise tax as well as rapid growth in programs funded by the excise tax. He said also there were significant increases in transfer payments to Central Support Services from the Zoo, 21%, and the Metro ER Commission (MERC), 63% in the current year and concurrent cash flow problems for both the Zoo and MERC. He noted the Zoo had approximately a \$2 million fund balance. Councilor Knowles said he was concerned that continued transfer payments, particularly in the insurance program, would put the Zoo in a negative fund balance by 1995-96 despite admission increases. He said a negative fund balance would occur within 2 1/2 years for MERC. He noted the Regional Facilities Committee intended to recommend to the Budget Committee that the excise tax be included in Zoo admission fees. He noted admission fees would impact the number of people who decided to visit the Zoo.

Councilor Knowles said Metro would demonstrate leadership by stabilizing the excise tax and, if possible, reducing the rate. He proposed excise tax revenues be used to provide funding for the additional costs of the new insurance program.

Councilor Knowles suggested also Metro suspend action for the proposed Tri-Met study at a projected cost of \$150,000, and recommended the Council obtain public input over the coming year to find out what the public wanted to do about Tri-Met.

Councilor Devlin spoke to the need for a representative form of government for areas of planning and development and of transportation as well as for administration of taxpayer revenues.

Councilor Wyers said she supported Councilor Knowles remarks concerning holding the excise tax down, and said she was interested in his ideas regarding the Tri-Met study.

Councilor Devlin noted the excise tax rate was imposed at 5.61% for the coming fiscal year at the time the solid waste rate was approved.

Chair Van Bergen commented regarding his concerns that the Metro excise tax rate was set at over 5%, that 1% for Recycling grant funding for vermiculture was approved and at the same time the children's petting zoo at the zoo was discontinued.

o Personnel Office

Kim Huey, Acting Personnel Office Manager, referred to her memorandum of March 22 and presented departmental responses to Council Administrator's

budget questions. She pointed out the need to address levels of service versus compliance.

In response to Councilor Hansen, Ms. Huey said she would provide figures in a report to the committee regarding personal illness/sick leave.

o **Regional Facilities Department**

Neil Saling, Director of Regional Facilities, referred to his memorandum of March 25 and presented departmental responses to Council Administrator budget questions.

2. BUILDING MANAGEMENT FUND

In response to Councilor Wyers question concerning the structure of the Regional Facilities funds, Mr. Saling said he did not see a way to combine the portion Regional Facilities funded through the General Fund, the Support Services Fund which funds a portion of construction, and the Building Management Fund which funds work on the Sears building project.

Donald E. Carlson, Council Administrator, indicated he would be making a recommendation that the Regional Facilities Planning portion and the Building and License program, which has been in General Fund, be transferred to the Support Services fund. He said the two programs would be removed from the allocation plan.

Ms. Sims said placing Regional Facilities excise tax funded functions in the Support Services would cause extra work for the Finance and Management Information staff.

3. INSURANCE FUND

Ms. Sims referred to her memorandum dated April 10 and presented departmental responses to Council Administrator's budget questions.

In response to Mr. Carlson, Ms. Sims said although savings would be realized if the insurance fund was funded in one year, the four year plan was determined by affordability.

Chair Van Bergen raised the issue that a greater need for legal services would occur as Metro handled claims internally.

Councilor Wyers noted Metro might want to consider a claims adjuster on staff with a self insurance program underway.

Ms. Sims indicated her proposed budget requests for basic requirements of the start of the self insurance program were a risk management manager and a clerical support staff for the year 1991-92.

4. COST ALLOCATION PLAN FOR CENTRAL FUNDS

Councilor Devlin asked if an review of the cost allocation plan was foreseen or the potential of a direct bill for services. Ms. Sims said an official review of the cost allocation plan had been conducted which has been placed on file for federal grant purposes and said the Metro cost allocation plan did conform to appropriate federal circulars. She noted time was recorded on time sheets specific to Metro department served, and said programming would be required to retrieve the data. She noted the McLoughlin study recommended a direct bill for services be structured for data processing. She said she would recommend the system as beneficial for all Support Services, and added start up as well as management would be required.

5. GENERAL FUND

o Executive Management Department

Dick Engstrom, Deputy Executive Officer, referred to his memorandum dated April 10 and presented responses to Council Administrator budget questions.

In response to Councilor Wyers, Mr. Engstrom indicated the amount for an outside contract for the Office of Government Relations (OGR) would be approximately \$60 to \$80 thousand, whereas he noted as a Metro position the amount would be approximately \$100 thousand with fringe.

The committee and staff discussed the benefits and drawbacks of Metro staffing versus an outside contract for the OGR.

Councilor Wyers asked why the Tri-Met study was proposed in the Executive Department budget rather than the Transportation Department budget. Mr. Engstrom said he felt there was a consensus to keep the issue within the Executive Department, and that it could move to the OGR.

Councilor Devlin noted there had been a Council decision by resolution which had not been unanimous to proceed with the study, and suggested the study be done over about an 18 month period, which he noted would allow time for public input.

o Council Department

Mr. Carlson referred to his memorandum dated April 9 and presented Exhibit M.

Councilor Wyers said she supported keeping additional per diem funds in the proposed budget. Councilor Wyers commented also regarding budgeting for assistance in the future with constituent outreach. Mr. Carlson

COUNCIL BUDGET COMMITTEE

April 10, 1991

Page 7

commented decisions from the Charter Committee would impact future budgeting in this area.

In response to Councilor Hansen, Mr. Carlson said the Charter Committee may seek to have a Charter election on the ballot in May, 1992 and Metro would need to have the election expense in the budget.

Chair Van Bergen asked if a poll could be taken of the Councilors to determine what their ideas were regarding per diem expense. Councilor Wyers agreed to interview Councilors regarding the issue.

Councilor Hansen noted \$2,100 expense proposed for a photocopier in the Council office, and said she supported the item.

6. Other

Mr. Carlson discussed the Phase III of the budget process.

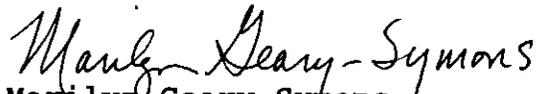
Councilor Devlin asked that a discussion take place with the responsible parties regarding the difference between budgeted excise tax and levied excise tax.

Chair Van Bergen and Councilor Wyers asked that the 1% for Arts program undergo review.

The committee discussed the agenda for the meeting Monday, April 15.

The meeting adjourned at 8:50 p.m.

Respectfully submitted,


Marilyn Geary-Symons
Committee Clerk