

SUMMARY OF THE COUNCIL BUDGET COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

April 24, 1991

Council Chamber

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

Chair Van Bergen called the Budget Committee meeting of April 24, 1991
to order at 5:37 p.m.

1. Final Review of FY 1991-92 Budget Recommendations

Donald Carlson, Council Administrator, referred to the revised budget
document and noted the Budget Committee Recommendations which had been
included.

■ **General Fund**

Mr. Carlson referred to the General Fund, pages 1 through 15.

Revenue

Revenue increase \$220,724

Excise tax \$3,815,192 based on rate of 4.8%

Levy amount of 5% impacts all revenue accounts and enterprise funds

Transfer amount from Convention Center Management Fund \$281,663

Executive Management

5.75 FTE revised from proposed 7.25 FTE

Council

Propose to:

Purchase copier from FY 1990-91 budget

Add \$360 to Office Supplies for copier supplies

Add \$1,125 to Maintenance & Repairs/Equipment in Support Services

Add \$2,000 to Meetings for total of \$9,000

Reduce Equipment Rental to \$500

Includes per diem based on 144 meetings at \$55 per diem and expense
reimbursement at \$2,200

Motion No. 1: Councilor Wyers moved to recommend proposed revisions to
the General Fund in the Council budget and Support
Services budget.

Vote on Motion No. 1: Councilors Buchanan, Devlin, Hansen, Wyers and
Van Bergen voted aye.

The vote was unanimous and the motion passed.

(Continued)

Office of Government Relations

New appropriation unit - total expenditure \$216,490

Regional Facilities

Facilities Planning - total expenditure \$177,226

Builder's License - not budgeted in General Fund, budgeted in Support Services

General Expenses

Propose to:

Add \$200,000 to build up liability reserves

Add \$100,000 to Building Fund for relocation studies

Add \$281,000 to Convention Center Fund

Add \$76,396 to Planning & Development Fund

Total transfers increase \$615,937

Decrease Contingency \$90,148

Motion No. 2: Councilor Buchanan moved to recommend proposed revisions to General Fund in the General Expenses budget.

Mr. Carlson noted Councilor Devlin had proposed to reduce the local government dues received in the Planning & Development and in the Transportation Planning funds which were set at \$.43 per capita to \$.39 per capita with an impact of reduction to dues revenue of approximately \$53,000. He added Councilor Devlin proposed to increase excise tax levies to compensate for dues revenue reductions. Mr. Carlson said the excise tax was budgeted in the General Fund and would become a transfer to the two funds. He said the General Fund Contingency would have to be reduced by \$53,000 or excise tax revenue increased by \$53,000 to pay for the transfer to the two funds. In response to Chair Van Bergen, Mr. Carlson said the \$53,000 could be split proportionately or otherwise.

Councilor Devlin referred to Resolution No. 91-1395A relative to dues, which he noted had passed. He said the Executive Officer had earlier introduced a resolution at \$.35, and he noted the Transportation and Planning Committee revised the figure to \$.43 subject to the budget process.

Councilor Devlin referred to a Budget Note which was adopted during the last year of budget deliberations and read the language into the record, "During the last legislative session representatives of the District indicated in informal discussions with the Governor and legislative leaders that the service charges assessment potential could be reduced to \$.35 per capita if the District is successful in implementing the excise tax authority. It is the intent of the Council to achieve that objective in steps by reducing the service charge level to \$.43 per capita during FY 1990-91 and addressing the next reduction during deliberations in the FY 1991-92 budget."

Councilor Devlin said it was his intent to seek a reduction to \$.39 per capita amounting to approximately \$53,000, and he noted also statutory authority to levy the dues would sunset after fiscal year 1992-93. He said general discussion suggested if dues were not lowered to the \$.39 per capita level, statutory authority for dues could be eliminated resulting in a loss of revenue to Metro of approximately 1/2 million dollars.

Mr. Carlson spoke in favor of maintaining a healthy contingency for the General Fund and increasing the excise tax.

In response to Councilor Devlin, Kathy Rutkowski said the dues would be reduced by \$53,835 by such action and impact on the excise tax would be .175% increase. She said Metro would levy 5.175% to 5.2% which would be reflected in the budget approximately a 4.975 levy budgeted amount.

Chair Van Bergen asked regarding the impact to the Zoo and to MERC.

Mr. Carlson said with increased tax, accrual to the revenue accounts would decrease in the Zoo and MERC operating funds.

Motion to Amend Motion No. 2: Councilor Devlin moved to amend Motion No. 2 with an increase to the excise tax levy of \$3,815,192 by adding \$53,835, and to increase the transfer to the Transportation Planning Fund by \$53,835, and a corresponding reduction in the amount of dues received by the Transportation Planning Fund in the amount of \$53,835.

Councilor Buchanan stated he did not see the advantage to such action.

Councilor Devlin reiterated his previous remarks, and noted Metro would have to request legislative authority to continue dues. He said Metro's legislative history in this matter could impact whether or not the legislature chose to renew Metro's authority to levy dues.

Chair Van Bergen said Metro should either utilize dues or excise tax for revenues, not both.

Councilor Hansen said Metro would be sending a positive message to the cities in the region by passing these monies back to them through property taxes.

Councilor Wyers said \$53 thousand dollars would not make an impact spread over the base of 24 cities. She said the budget note had not been received favorably by all Councilors previously. She said Metro would prove responsiveness to the cities and counties through other programs such as yard debris and illegal dumping chapters.

Vote on Motion to Amend Motion No. 2: Councilors Devlin and Hansen voted aye. Councilors Buchanan, Wyers and Van Bergen voted nay.

The motion to amend failed.

Vote on Motion No. 2: Councilors Buchanan, Devlin, Wyers, Hansen, and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Mr. Carlson said a committee report would be prepared in which Council staff would reflect committee discussion.

■ **Support Services Fund**

Mr. Carlson referred to pages 16 through 43 of the budget document, and noted the Builders License Program had been moved into the Support Services Fund.

Revenue

Proposed budget - total \$6,062,128
Budget committee recommendation (Building program moved) - \$364,014 reduction

Direct Cost increase

Requested 35.8% direct cost increase over 1990-91 budget -
FY 1991-92 \$1,408,713
Budget committee recommendation - 22.8% increase / \$898,290
- reduction to direct cost of approx. \$510,000

■ **Building Management Fund**

Mr. Carlson referred to page 44 and noted \$100,000 had been added into the fund regarding excise tax revenues, and with other additions and reductions the net was an increase of \$13,391.

■ **Insurance Fund**

Mr. Carlson referred to page 50 and noted the figures reflected \$200,000 being transferred from the General Fund into the Insurance Reserve.

Chair Van Bergen indicated he felt consensus was favorable toward self insurance as policy, but questioned the advisability of doing so this fiscal year.

Ms. Sims said Metro would benefit financially overall by self insurance, and noted four years funding would be necessary to go into the reserve. She said the two organizations most heavily impacted, the Zoo and MERC,

would also be the two entities which would have the most benefit due to highest exposures.

Councilor Devlin noted the cost for insurance would be further reduced with the funded reserve or increased deductible, and asked could it be increased at a faster rate. Ms. Sims said the department would need to evaluate how much purchased insurance would be offset.

Councilor Wyers noted self insurance was being approved at the Budget Committee level through recommendations for budgetary funding as a Metro policy decision, and added other policy decisions were recommended in like manner by the Budget Committee, such as not budgeting funds for 1% for Art for solid waste facilities.

■ **Zoo Operating Fund**

Mr. Carlson referred to page 53.

Revenue

Increase to \$265,560 based on \$1.00 increase
in admissions as of Jan. 1, 1992
Reductions / impact of excise tax
Net increase / \$154,474

Mr. Carlson said Judy Munro in a memo to Kay Rich had said she did not think it was cost effective to have a zoo composter.

Mr. Carlson referred to page 67.

Expenses

Unappropriated balance / additional accrual \$356,361

■ **Zoo Capital Fund**

Architectural Services were placed in Contingency.

■ **Solid Waste Revenue Fund**

Mr. Carlson referred to pages 71 and 72.

Revenue

Increase / \$3,168,316 for bond indebtedness for composter

Chair Van Bergen asked about budget impact related to the potential of failure of the composter facility should lawsuits demanding shut down arise and increased materials go to Arlington. Councilor Buchanan indicated both residential and industrial neighbors have been complaining.

Councilor Wyers suggested concerns regarding the composter be brought to the Solid Waste Committee to be addressed.

In response to Councilor Wyers, Ms. Forsythe indicated a budget note had been prepared for approval which requested a financial management report and suggested a request for specific data on tonnages and revenues be included.

Mr. Carlson referred to page 88.

Contingency

Increase / \$1,317,597 to \$2,755,585 - approx. 4.8%

■ **Rehabilitation and Enhancement Fund**

Mr. Carlson referred to page 90, and noted no changes. He suggested appropriating the expenditures by accounts. Ms. Sims indicated administration of the accounts was maintained at this time and such appropriation was not necessary.

Motion No. 4: Councilor Wyers moved appropriation be made by individual accounts.

Ms. Sims noted for the record each appropriation unit added an increment of work for the finance and accounting staff in monitoring and tracking, and a transfer of appropriation between units would require budget action at the committee level.

Vote on Motion No. 4: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

■ **Transportation and Planning Fund**

Mr. Carlson referred to page 93.

Revenue

Increase / \$1,099

Jessica Marlitt, Council Analyst, distributed her memo dated April 18 to Chair Van Bergen and referred to page 96 of the budget document.

Recommendations

Computer Software	-	\$78,250
Maint. & Repr. Svcs.	-	66,026
Travel	-	28,510
Capital Outlay, Furn/Equip	-	61,585

Total increases - \$9,694

Motion No. 5: Councilor Hansen moved to accept Council staff recommendations regarding proposed budget adjustments.

Mr. Carlson suggested an amendment to reduce the contingency in the General Fund by \$8,595 and increase the transfer by \$8,595.

Motion to Amend Motion No. 5: Councilor Devlin moved to recommend the amendment as proposed by Council staff to increase the transfer of \$8,595 from the General Fund Contingency to the Transportation Fund.

Vote on Motion to Amend Motion No. 5: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

Vote on Motion No. 5: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

■ **Planning and Development Fund**

Ms. Marlitt distributed her memo dated April 22 and a handout regarding the Planning and Development Fund and referred to a proposed increase in donations and bequests of \$67,500.

Ms. Marlitt referred to page 100 and a request to add \$1,200 for a dedicated telephone line, which she noted would come from a federal grant for Greenspaces.

Motion No. 6: Councilor Devlin moved to accept Council staff budget recommendations to Planning and Development fund.

Vote on Motion No. 6: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

■ **Smith and Bybee Lakes Trust Fund**

Ms. Marlitt referred to page 104.

Personal Services

Salary and fringe - increase \$2,517

Motion No. 7: Councilor Wyers moved to accept Council staff budget recommendations to the Smith and Bybee Lakes Trust Fund.

Vote on Motion No. 7: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

- Convention Center Management Fund
- Convention Center Project Capital Fund
- Convention Center Debt Fund
- MERC Management Pool Fund
- Spectator Facilities Fund
- Portland Center for the Performing Arts Fund

Mr. Carlson noted no changes in the funds notated.

Mr. Carlson said the budget document would be prepared with the current changes reflected and would be distributed at the April 25 full Council meeting along with remarks for the chair, and said the committee report would be prepared for distribution at the Council retreat April 27. Chair Van Bergen requested the remarks for the chair be distributed to the Budget Committee members also.

■ **Budget Notes**

General Fund: Office of Government Relations

Support Services Fund:

1. Public Affairs Department: Interdepartmental Agreements
2. Public Affairs Department: Cost Accounting System
3. Finance and Management Information Department: Data Processing Division User Committee

Mr. Carlson noted the committee had discussed and approved the General Fund Budget Notes and Support Services Budget Notes Nos. 1, 2, and 3.

4. Finance and Management Information Department: Accounting Reports
5. Finance and Management Information Department: Financial Plans

Mr. Carlson requested the committee review Budget Notes Nos. 4 and 5. He added the notes under discussion were performance indicators. Ms.

Sims agreed to bring to the committee reports in draft form for review and comment by the committee.

Motion No. 8: Councilor Wyers moved to approve Budget Note No. 4 and Budget Note No. 5.

Vote on Motion No. 8: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Insurance Fund: Transfer Policy

Motion No. 9: Councilor Wyers moved to approve the Transfer Policy Budget Note for the Insurance Fund.

Vote on Motion No. 9: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Zoo Operating Fund: Financial Plan

Motion No. 10: Councilor Devlin moved to approve the Financial Plan Budget Note for the Zoo Operating Fund.

Vote on Motion No. 10: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Solid Waste Revenue Fund

Mr. Carlson noted the Budget Notes for the Solid Waste Revenue Fund had been heard and approved by the Budget Committee.

1. Transportation Planning Fund: Urban Growth Management Program
2. Transportation Planning Fund: Regional Land Information System (RLIS) Program Mapping Expansions
3. Transportation Planning Fund: Demand Management Program

Motion No. 11: Councilor Wyers moved to approve Transportation Planning Fund Budget Note No. 1.

Vote on Motion No. 11: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Motion No. 12: Councilor Devlin moved to approve Transportation Planning Fund Budget Note No. 2.

Vote on Motion No. 12: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Motion No. 13: Councilor Devlin moved to approve Transportation Planning Fund Budget Note No. 3.

Vote on Motion No. 13: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

1. Planning and Development: Metropolitan Greenspaces Program

The committee did not vote on the budget note. (This budget note was included in the budget adopted by the Council on June 27, 1991.)

2. Planning and Development: Regional Fiscal Equity Taxation Program

Councilor Wyers requested Council staff draft language for the proposed budget note. Mr. Carlson suggested the language read as follows:

"[For FY 91-92] Prior to the commencement of the Regional Fiscal Equity in Taxation Program the department shall bring the proposed workplan to the Council for approval."

Motion No. 14 as Amended: Councilor Wyers moved to accept drafted language for the Planning and Development Budget Note No. 2.

Vote on Motion No. 14 as Amended: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

3. Planning and Development: Five-Year Financial Strategy Project

Mr. Carlson recommended removal of Budget Note No. 3.

Motion No. 15: Councilor Wyers moved to eliminate the Zoo Operating Fund Budget Note.

Vote on Motion No. 15: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

4. Planning and Development: Economic Planning Program

Motion No. 16: Councilor Devlin moved to approve Planning and Development Budget Note No. 4.

Vote on Motion No. 16: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

5. Planning and Development: Housing Study

Motion No. 17: Councilor Devlin moved to approve Planning and Development Budget Note No. 5.

Vote on Motion No. 17: Councilors Buchanan, Devlin, Wyers and Hansen voted aye. Chair Van Bergen voted nay.

The motion passed.

1. Convention Center Capital Fund: Parking Study

2. Convention Center Capital Fund: Capital Construction

Motion No. 18: Councilor Devlin moved to approve Convention Center Capital Fund Budget Note No. 1 and 2.

Vote on Motion No. 18: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

Metropolitan E-R Commission Funds: MERC Management Pool Fund, Convention Center Operating Fund, Spectator Facilities Operating Fund
1. Underground Storage Tanks

Motion No. 19: Councilor Devlin moved to approve MERC Fund Budget Note No. 1.

Vote on Motion No. 19: Councilors Buchanan, Devlin, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

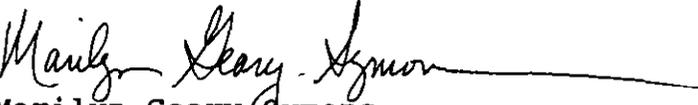
COUNCIL BUDGET COMMITTEE
April 24, 1991
Page 12

2. Central Service Provision

The committee and Council staff discussed MERC Fund Budget Note No. 2.
The Budget Note was not approved.

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,


Marilyn Geary Symons
Committee Clerk