

APPROVED
Date 2-10-93

MINUTES OF THE COUNCIL FINANCE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

November 5, 1992

Council Chamber

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

Councilors Also Present: Roger Buchanan

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

1. Consideration of May 21, 1992; June 4, 1992; June 18, 1992; and September 17, 1992 Finance Committee Meeting Minutes

Motion: Councilor Devlin moved to approve the May 21, 1992; June 4, 1992; June 18, 1992; and, September 17, 1992 Finance Committee meeting minutes.

Vote: Councilors Devlin, Gardner, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

2. Resolution No. 92-1698, For the Purpose of Confirming the Reappointment of Bonnie Kraft to the Investment Advisory Board

Motion: Councilor Gardner moved to recommend Resolution No. 92-1698 to the full Council for adoption.

Vote: Councilors Devlin, Gardner, Wyers, Hansen and Van Bergen voted aye.

The vote was unanimous and the motion passed.

3. Consideration of Draft Resolution No. 92-1710, For the Purpose of Approving a Request for Proposals (RFP) Document for Property/Casualty Agent of Record/Broker and Waiving the Requirement for Council Approval of the Contract and Authorizing the Executive Officer to Execute the Contract Subject to Conditions

Risk Manager Scott Moss presented the staff report, and said the contract with Metro's agent of record services, Willis Corroon, was due to expire December 31, 1992. He said an RFP had been prepared and approval by the Council was sought. He described the services provided by the agent of record as outlined in the staff report in the agenda packet. Mr. Moss noted cost anticipated was about \$25,000 to \$30,000 annually, and said a three year contract was requested not to exceed \$90,000 over the contract term.

(Continued)

Councilor Gardner referenced Exhibit B which stated Conditions for Waiver for Council Approval.

Donald E. Carlson, Council Administrator, said the resolution for the RFP had been prepared for introduction by the Finance Committee, and said this was a multi-year contract which required Council approval. He noted Metro Code required the Council approve release of the RFP, but, he said, the RFP could be released waiving Council approval with approval of the resolution to expedite the process.

Councilor Devlin noted the resolution referenced Exhibit B and did not see a problem.

Councilor Wyers referenced Exhibit B noting the contract could not exceed \$90,000, but noted it was a \$25,000 per year contract, and inquired about the difference. Mr. Carlson said standard procedure was to set the contract amount to reflect the total amount for the three years.

The Committee and staff discussed issues of liability and criteria for qualifications of potential proposers.

Chair Van Bergen requested staff modify the language concerning the amount of the contract and qualifications.

Councilor Gardner suggested sentence no. 1. on Exhibit B be changed to read, "The amount of the contract shall not exceed \$30,000 per year." He requested information regarding the amount of the existing contract as well.

The Committee continued consideration of the matter.

4. Finance and Management Information Department Quarterly Reports: First Quarter Report

Jennifer Sims, Finance and Management Information Director, distributed the First Quarter FY 1992-93 Quarterly Report to the Committee, and presented a comprehensive overview of goals and tasks of the financial affairs of Metro. This document has been made part of the permanent meeting record.

Ms. Sims said the Accounting Division would have the audit report completed by November 16. She said the format would be the Comprehensive Annual Financial Report, which is the Government Finance Officer Association's standard for excellence in financial reporting.

Ms. Sims noted work had been completed on the Hillsboro Landfill Audit. The Committee and staff discussed potential audit and staffing issues should Metro decide to authorize the use of additional designated facilities outside the region for disposal of materials such as construction debris.

Ms. Sims noted 95% of the work on the Accounting procedures manuals had been completed, and displayed one of the documents to the Committee. She said the Accounting staff continued in the process to consolidate the MERC accounting and general ledger functions and to obtain information in a timely manner.

Ms. Sims summarized completed work for the first quarter in Financial Planning, noting the FY 1992-93 Adopted Budget was completed and submitted to the Tax Supervisory and Conservation Commission. She said Phase I of the Five-Year Financial Plan had been completed, and the quarterly investment report was completed and presented to the Investment Advisory Committee. She noted negotiations occurred concerning gas recovery at the landfill and the Washington County transfer station. She said financial analysis and bond preparation for Greenspaces had been done, as well as work with the Zoo and Transportation Department regarding a light rail station at the Zoo.

Ms. Sims discussed the hiring of a new Information Services Division manager as well as other staffing issues, the formalization of three user committees, and a review of the Financial Management System for efficiencies and improvements.

Ms. Sims noted in Office Services the assistance of Multnomah County had been enlisted to develop a records retention schedules, and said details of the moving of the office to the Metro Regional Center were worked on.

Ms. Sims said a Fine Arts inventory was done by Risk Management and reported to the Regional Facilities Committee. She said 27 safety training sessions with employees had occurred to identify areas of risk and facilitate prevention awareness. She said the Division was working on the Child Care facility for the new headquarters.

Councilor Wyers noted the report indicated consulting services were provided for the East Washington County transfer station and an analysis of financial implications had been prepared. She asked if the analysis had been finished. Ms. Sims said modifications were made based on ongoing negotiations, and said it was not completed as a report per se. Councilor Wyers indicated the Solid Waste Committee wanted information regarding the impact on rates, and said she hoped relevant information would be folded into the consulting work begin done in FMI. Ms. Sims said she understood the work would be reported with rate impact facts by the Solid Waste Department to the Solid Waste Committee on November 17, 1992.

In response to Chair Van Bergen, Ms. Sims said work was continuing closely with MERC staff. She said MERC was concerned with obtaining information from FMI as needed, and she said meetings were ongoing and progress was being made. She said FMI was conducting all the accounting work for MERC currently.

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In response to Councilor Devlin, Ms. Sims said she believed MERC was retaining a pool of part time and temporary employees for as needed work for facilities such as the Coliseum and the Convention Center.

Councilor Gardner noted a palette jack could come in handy during the move to the new headquarters. Ms. Sims said the move would be conducted by a professional mover with their own equipment.

In response to Councilor Gardner, Ms. Sims said some records storage would be accommodated in the new building, but said the bulk of archival storage would be located elsewhere.

In response to Councilor Hansen's question concerning information on the issue of an elected auditor, Ms. Sims said an informal task force on the Charter was in process and said it was estimated several hundred thousand dollars were anticipated as FY 1992-93 costs to implement the Charter beginning January 1, 1993, and noted Council discussion would be necessary.

Mr. Carlson requested Ms. Sims bring to the next Finance Committee meeting a review of the General Fund overall. He said budget amendments for the Council Department were being prepared to implement payment of Councilors, and said he was researching the budget impact of the Metro Citizen Involvement Committee at the present time.

Further discussion ensued regarding contracts oversight and the timing involved with the inception of an elected auditor as well as implementation of the Charter after January 1, 1993. The Committee agreed the Councilors, both current and new, should meet for discussion.

In response to Councilor Devlin, Ms. Sims said she currently did not meet the qualifications to be a candidate for the auditor's position.

5. General Fund Financial Report: First Quarter

Ms. Sims referenced her memorandum dated November 5, 1992 regarding First Quarter Excise Tax Receipts and the attachment, a table showing the actual excise tax receipts by fund through September 30, 1992, and a comparison to the budgeted amount distributed seasonally. This document has been made part of the permanent meeting record.

Ms. Sims noted the beginning fund balance was higher than budgeted, making up for the shortfall to date. She explained the memorandum identified some of the reasons for the shortfalls, and said the shortfall in the Building fund, which was achieving about 20% of the expected revenue, was due to a reporting lag on the parking garage revenues at Metro Regional Center.

In response to Mr. Carlson, Ms. Sims corrected an error in the column labeled "Budget" in the first table of the attachment should read FY 1992-93, not FY 1991-92.

Mr. Carlson noted the shortfall was approximately \$67 thousand and questioned the likelihood the amount would remain the same by the end of the year. He requested the Department review the assumptions for the next three quarters FY 1992-93, and requested a revenue and expenditure sheet for the General Fund for the first quarter be prepared. Ms. Sims said she would prepare such a report for the period through October 31, 1992. The Committee agreed such a report would be of interest and beneficial.

6. Status Report on Agency Five Year Financial Planning

Ms. Sims said Phase I was now completed and the Department was embarking on Phase II. She said program identification, issues listing and an order of magnitude with numbers looking at FTE, revenue and expenditures had been accomplished in Phase I. Ms. Sims said Departments would meet on November 16 and November 23, 1992 for the purpose of discussion of Departmental functions, costs, programs and how they fit together. She said the outcome would be used as planning work for the FY 1993-94 budget. Ms. Sims anticipated a document would be prepared and submitted for review and comment near the end of November and the beginning of December, and she said a Five Year Financial Plan would be prepared and submitted to the Committee for review and comment prior to the submission of the proposed budget.

7. Other

1. Mr. Carlson distributed a proposed contract document to the Committee for services to be provided by the firm Talbot, Korvola and Warwick for a performance audit of Metro's contracting system, which he noted had not yet been signed. He referenced Exhibit A, FY 1992-93 Scope of Work, and said the Council had approved a contract be embarked upon. This document has been made part of the permanent meeting record.

Mr. Carlson said discussion had occurred with the Chair of the Finance Committee and the Presiding Officer concerning potential audit work FY 1992-93. He said the document product had been reviewed with the Mr. Talbot, Casey Short, Council Analyst, and both the Executive and Deputy Officer. Mr. Carlson requested the Finance Committee Chair present the information to the Council at the next Council meeting, and, unless objections arose, proceed with the work.

The Committee and staff discussed issues concerned with the timing of the contract and Charter implications. In response to Councilor Devlin, Mr. Carlson said the Council Analysts were involved in a process of developing a list of questions regarding the Charter for Legal Counsel. Mr. Carlson suggested the Committee provide Council Staff with comments and questions, and said policy and budget ramifications would be of concern to the Council.

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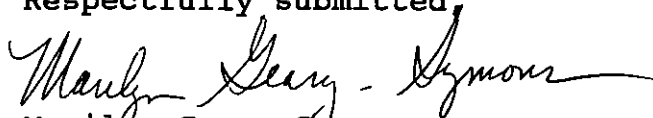
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2. Councilor Wyers felt the Council Office might undergo an increased workload as Councilors' requests expand and the Charter is implemented, and she noted consideration of additional Council Staff be necessary in the future.

There being no further business, the meeting adjourned at 7:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marilyn Geary-Symons". The signature is written in dark ink and is positioned above the typed name.

Marilyn Geary-Symons
Committee Recorder