

MINUTES OF THE COUNCIL FINANCE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

January 5, 1989

Committee Members Present: Councilors Tanya Collier (Chair),
Geroge Van Bergen (V. Chair), Tom
DeJardin, Jim Gardner and Judy Wyers

Committee Members Absent: None

Others Present: Councilor Roger Buchanan

1. Consideration of Minutes

Motion: Councilor DeJardin moved, seconded by Councilor
Van Bergen, to approve the minutes of December 1,
1988.

Vote: A vote on the motion resulted in all give Councilors
present voting aye.

Later in the meeting, the following motion was made:

Motion: Councilor Gardner moved to amend page 2 of the
December 1, 1988, minutes regarding public access to
the Metro South Station, to reflect that waste
disposed at Metro facilities should be correctly
accounted for at facility entrance gates.

Vote: A vote on the motion resulted in all five Councilors
present voting aye.

The minutes were approved as corrected.

2. Consideration of Resolution No. 89-1030, for the Purpose of
Accepting Talbot & Korvola's "Report on Performance Auditing
Plan for the Metropolitan Service District Council"

Jessica Marlitt, Council Analyst, reported that Resolution
No. 89-1030, if approved, would indicate the Finance Committee's
acceptance of Talbot & Korvola's report concerning a performance
auditing program for Metro. The Executive Officer had reviewed the
draft report and had suggested no substantive changes, she explained.

Carl Meeuswen and Jack Talbot reviewed the final report dated
December 1988. The consultants recommended that Metro:

1. Adopt the U.S. General Accounting Office's Government Auditing Standards as its guide for performance auditing work;
2. Contract for the professional services to perform this function for a least the first two years, and provide for continuing contract services if appropriate;
3. Budget \$80,000 to \$100,000 for each of the first two years for the performance audit function;
4. Establish a risk analysis system based on nine key criteria to identify areas for performance reviews; and
5. Assign the audit oversight responsibility to the Council's Internal Affairs Committee.

The consultants further recommended that Metro schedule performance audits in the first year for at least two of the following areas: contracting; General Fund/cost allocations; Metro policies and procedures; and solid waste revenues. Mr. Meeuswen suggested Metro policies and procedures be selected as one of the two areas because it would serve to set the tone for future audit areas.

In response to Councilor Van Bergen's question, Ray Phelps, Finance and Administration Director, said the Executive Officer recommended the first two performance auditing areas be policies and procedures and General Fund/cost allocations. Examination of the General Fund and the cost allocation program was important as Metro discussed the assumption of additional services, he explained. He submitted for the record a letter from the Executive Officer regarding her response to the consultant's recommendations.

Motion: Councilor DeJardin moved to recommend the full Council adopt Resolution No. 89-1030.

Vote: A vote on the motion resulted in all five Councilors voting aye.

The motion carried.

3. Followup on Actions Requested of Metro Staff in Response to the FY 1987-88 Financial Audit Management Letter

Chair Collier noted that at the December 1, 1988, Committee meeting, Ray Phelps had responded to some of the questions of committee members concerning the auditors' comments on the FY 1987-88 finance audit. Mr. Phelps was back before the Committee at its request for additional information.

Landfill Site Visits: Management staff will provide the information requested at the December 1 meeting on January 19.

Landfill Siting Fees: Management staff will respond on January 19.

Travel/Credit Cards: Management staff will respond on January 19.

Zoo Donations and Bequests: Mr. Phelps reported staff was currently working out a system that would ensure more complete reporting on the source and purpose of all donations received at the Zoo. After discussion, it was agreed Zoo Director Sherry Sheng would present reports to both the Zoo Committee and Finance Committee concerning the Zoo Development program.

Solid Waste Tonnage Reports: Management staff will respond on January 19.

Public Access to Metro South Station: Mr. Phelps reported he had not discussed the issue with Solid Waste staff because staff were now in the process of preparing to rebid the operations contract for the facility. Councilor Gardner then noted that page 2 of the December 1 minutes concerning this issue did not accurately reflect the disposal and ticketing process currently in force. His motion to amend the minutes are noted under Agenda Item No. 1 above. After discussion, it was agreed that in preparation for his response to the Committee on January 19, Mr. Phelps should discuss with the auditors how this issue could be resolved. If a resolution could not be reached, staff and the Committee would then determine whether it could comply with the auditor's recommendation.

4. First Quarter Budget and Program Review Results and Preparing for the FY 1989-90 Budget

Jessica Marlitt reported that all the Council standing committees except for the Internal Affairs Committee had concluded first quarter reviews. Chair Collier asked for a critique of the first review process. Mr. Phelps responded that the initial review had worked well. Department heads had taken inventory of their programs. The reports would also served to inform the media and public about progress on key programs and to educate staff about other department's projects.

Councilor Gardner thought the reports should provide more specific information that would directly correspond to budgeted program goals.

Chair Collier said she liked the process because it gave Councilors a chance to discuss programs with staff.

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After discussion it was agreed a draft letter from Chair Collier to Council Committee chairs concerning the FY 1989-90 budget process and schedule should be released. Ms. Marlitt said she would ensure all Councilors received the current budget schedule and manual.

There was no other business and the meeting adjourned at 6:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "A. Marie Nelson".

A. Marie Nelson
Clerk of the Council

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