

MINUTES OF THE METRO COUNCIL FINANCE COMMITTEE

January 13, 1993

Council Chamber

Committee Members Present: Rod Monroe (Chair), Roger Buchanan,  
Jon Kvistad, George Van Bergen

Committee Members Excused: Richard Devlin

Councilors Also Present: Susan McLain, Judy Wyers

Chair Van Bergen called the regular meeting to order at 4:01 p.m.

1. Ordinance No. 93-474, An Ordinance Amending Ordinance No. 92-449B  
Revising the FY 1992-93 Budget and Appropriations Schedule for the  
Purpose of Funding Increases in the Solid Waste Revenue Fund Operating  
Account

Sam Chandler, Solid Waste Facilities Manager, and Jennifer Sims, Finance and Management Information Director, presented the staff report, and discussed the need for the funding increases within the Department. Mr. Chandler said the department would hire 13 additional Metro staff to meet the additional program needs, and felt overall a savings of over \$.5 million per year would be realized in the processing management of Household Hazardous Waste (HHW) during the course of a full year.

Councilor Wyers noted the matter had been heard at the Solid Waste Committee and that the matter had been approved by the Solid Waste Committee. She added Metro had a responsibility to: 1) create public awareness that use of such HHW materials be discontinued; 2) offer HHW disposal service to constituents in both Gresham and Washington County areas, perhaps through the use of a mobile van; and she noted 3) zip codes of customers using the HHW facility were from near the facility, and suggested Public Affairs outreach to those living even five or ten miles away might be in order.

In response to Councilor Buchanan, Mr. Chandler said Metro had made the decision to process and manage HHW, rather than contract to receive the waste and ship it out without a management aspect since studies had demonstrated it was cost effective for Metro to do so. He noted 49 barrels for sorting were used currently.

Councilor Van Bergen questioned whether an HHW facility was being built into the design of the Wilsonville transfer station site at the previous Solid Waste Committee meeting. Mr. Chandler said space was available and flexibility built into the system to place a HHW facility at Wilsonville.

Councilor Buchanan asked Mr. Chandler to discuss the matter further with John Houser, Council Analyst.

(Continued)

In response to Donald E. Carlson, Council Administrator, Mr. Chandler said the total of 13 additional Metro staff was the number requested in the preliminary FY 1993-94 budget.

Motion: Councilor Buchanan moved to recommend Ordinance No. 93-474 to the full Council for adoption.

Chair Monroe opened a public hearing. No citizens appeared to testify. Chair Monroe closed the public hearing.

Vote: Councilors Buchanan, Van Bergen and Monroe voted aye.

The vote was unanimous and the motion passed.

2. Receipt and Discussion on Performance Audit Phase I Report Regarding Metro's Contracting Process

Brad Rafish, representing Talbot, Korvola and Warwick, said referenced the document in the agenda packet entitled, "Metro Contracting Survey" and the questions contained therein. He discussed the preliminary findings (Phase I) of Metro's contracting process and outlined the approach for audit fieldwork.

In response to Councilor Kvistad, Jack Talbot, firm partner, described the A/B designations for Metro contracts as distinguishing the differences between contracts that would come back before the Council and contracts which would not do so.

Councilor McLain brought up the issue of the time frame for a Metro contracted auditor and the Charter requirement for an elected auditor in 1995. Mr. Carlson noted the contract with Talbot, Korvola and Warwick was a three year contract and explained the work by the audit firm could be completed by the end of 1994. He explained further that audit work was normally assigned and completed in the first half of the fiscal year in order for the information to be available for the budget process. He noted, although, a six month overlap was possible under the current contract.

Councilor Wyers said, although much of Metro's work was done through the contracting process, and change orders were often under the authority of the Executive, she felt the Council's involvement was necessary because of potential policy decisions. Councilor Wyers went on to ask several questions. She asked who decided how the four questions listed on page 2 of the Phase I Survey in the contracting process were to be accomplished? Mr. Carlson noted these were the result of discussion and were preliminary findings. Councilor Wyers asked was there to be discussion about the difference between choosing whether a bid process would be used or a proposal process? Mr. Rafish agreed review of the matter was feasible and could be undertaken. Councilor Wyers asked what was appropriate in terms

of the Executive Officer's level of change order ability on any particular contract? She indicated she understood a change order could be authorized if it were under 10% of the total contract. Mr. Carlson noted Metro Code was specific concerning change orders, and said he believed there was a cumulative. Councilor Wyers asked whether the auditors could find out more about that. Mr. Rafish said the firm was proposing to review authority levels with other jurisdictions in the area.

Councilor Van Bergen reminded the Committee the charge was a performance audit, not necessarily a fiscal audit, and felt some questions might be deemed of fiscal import. He suggested definitions be ascertained for the breadth of the audit to be done. Mr. Rafish noted interviews had been set with five Councilors.

Councilor Van Bergen said as a public statement, he wanted it recognized that, other than personnel, the majority of Metro work has been done by contract. He said contract authority responsibility had been an ongoing issue, and noted the A/B designations were better than no designations. Councilor Van Bergen noted 10% of a \$50 million project was a large amount.

Councilor Van Bergen noted another difference between the A/B contracts designation was an accommodation factor for the Executive Officer. He said an "A" contract would be a contract containing potential policy review, and a "B" contract would not be impacted by nor necessitate policy review.

Mr. Carlson explained A/B designations are brought forward during the annual budget process. He noted the Council Analyst working with the substantive committees worked with the contracts and made a preliminary designation.

Chair Monroe clarified a contract involving a potential policy decision was an "A" contract.

Councilor McLain felt the process had been useful, but indicated improvements could be helpful.

Councilor Wyers said it was likely Metro would be contracting less in the future and said, as in the previous agenda item, decisions could be made to provide more services with in-house programs and staff.

Mr. Carlson noted the scope of work with Talbot, Korvola and Warwick excluded the MERC.

Mr. Carlson indicated he did not feel a motion was necessary to proceed to Phase II, but rather, he said, the matter under consideration was that of a general review of the progress thus far in the performance audit.

Chair Monroe said the consensus of the Committee was to recommend the auditing firm proceed to Phase II.

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There being no further business, the meeting adjourned at 4:54 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Marilyn Geary-Symons", followed by a horizontal line.

Marilyn Geary-Symons  
Committee Recorder