

MINUTES OF THE FINANCE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

January 19, 1989

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

Committee Member Absent: Councilor Richard Devlin

Chair Collier called the meeting to order at 5:45 p.m.

1. Consideration of Ordinance No. 89-281, for the Purpose of
Amending Ordinance No. 88-247, Revising the FY 1988-89 Budget
and Appropriations Schedule for the Purpose of Adding a
Secretary Position for the Accounting and Data Processing
Divisions (Public Hearing)

Ray Phelps, Finance & Administration Director, reviewed staff's written report. He explained that staff's previous request for funding the secretarial position had been included in Ordinance No. 88-277 and that request had been denied by the Council. He resubmitted the request because the Finance & Administration Department was in critical need of additional clerical help and because by adopting Ordinance No. 88-277 (which had reorganized Metro's word processing function), adequate savings had been realized to fund the position. He pointed out the size of the General Fund would be reduced even if the position were funded. Mr. Phelps acknowledged that his objective was the same as the Finance Committee's -- to reduce the amount of the General Fund.

Mr. Phelps then introduced staff from the Accounting and Data Processing Divisions to the Committee. Don Cox, Chief Accountant, and LeRoy Nollette, Data Processing Supervisor, reviewed the need for the additional secretarial position.

Mr. Cox pointed out that temporary personnel had been hired for some clerical duties but because of the high turnover of those personnel, inefficiency and frustration had resulted. He also reported that senior accountants were spending an average of two days per month photocopying the monthly financial reports. Archiving, filing and other clerical duties were given low priority because of staffing shortages.

Mr. Nollette explained his staff were often away from their desks providing computer services to other departments. The division needed a secretary to answer phones, call vendors for quotes on hardware and software, prepare correspondence, and photocopy.

Chair Collier reviewed with Accounting and Data Processing staff why the Finance Committee had denied funding for the secretarial posi-

tion when it was proposed as part of Ordinance No. 88-277. She explained during the FY 1988-89 budget review process, the Budget Committee was concerned that the size of the General Fund budget proposed by the Executive Officer had increased approximately 49 percent over the previous fiscal year's budget. The Committee asked the Executive to cut the General Fund budget by \$500,000 and had recommended certain management positions be eliminated from the Executive Management Department budget. The Executive, however, had recommended keeping the management positions and eliminating the Finance & Administration Department secretary position. The Committee accepted the Executive's final recommendation which was adopted by the Council. She would not recommend any mid-year, additional General Fund positions be funded because it would, in effect, be backing down from the agreement with the Executive to maintain costs. The Committee would, however, evaluate staffing adjustments as part of the FY 1989-90 budget review process.

Councilor Gardner agreed with Chair Collier's analysis, adding that the General Fund savings realized from reorganizing the word processing function should not at this time be allocated to additional staffing. Rather, the savings should go back into the General Fund which would be consistent with the Council's priority of controlling administrative costs.

Motion: Councilor Van Bergen moved to deny staff's request for a secretarial position to be funded during FY 1988-89.

Councilor Gardner acknowledged the need for additional clerical assistance but he also supported reducing the General Fund budget. He suggested staff seek temporary help for clerical work. He also requested staff resubmit staffing proposals as part of the FY 1989-90 budget cycle for evaluation.

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

The motion carried unanimously.

At the end of the meeting, the Committee discussed its recommendation to the full Council. As a result of that discussion, Councilor Van Bergen made the following motion:

Motion: Councilor Van Bergen moved to recommend the Council file Ordinance No. 89-281 and that it be given no further consideration.

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

The motion carried.

2. Follow-up on Actions Requested of Metro Staff in Response to the FY 1987-88 Financial Audit Management Letter

At the Committee's request, Ray Phelps reported on the progress of staff's response to items of concern noted by auditors.

Solid Waste Tonnage Reports. Mr. Phelps had received a report from Solid Waste staff that day. Progress was about 50 percent complete in responding to the audit comment. Staff would report to the Committee on February 2 concerning this matter.

Public Access to Metro South Station. No changes to the current operations had been implemented because the operations contract would soon be re-bid. Discussion followed about whether the situation identified by the auditor was sufficient to warrant a response. Mr. Phelps said he would discuss that possibility with the auditors and report back to the Committee. Councilor Van Bergen did not think it necessary to include the auditors recommended security measures in the new operations contract bid specifications. The Committee agreed with the Councilor's recommendation.

Motion: Councilor Van Bergen moved that the Committee reject the advice of Peat Marwick Main (Metro's financial auditors) concerning public access to the Metro South Station and that the Solid Waste Committee not recommend inclusion of the auditor's recommended security measures in the new operations contract bid specifications.

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

The motion carried unanimously. Councilor Collier requested staff send a letter to Peat Marwick Main informing them of the Committee's reasons for rejecting its recommendation.

Landfill Siting Fees. Metro had stopped payments to the Department of Environmental Quality (DEQ) for landfill siting services last month and staff were negotiating an acceptable landfill siting budget with the Department.

Landfill Site Visits. Staff recently audited the KDF landfill. A previous audit had revealed KDF owed Metro about \$35,000 which KDF had agreed to pay back by reducing fees to users. However, the

landfill would soon close and KDF had not yet settled its debt to Metro. Metro was meeting with KDF officials to negotiate a final settlement. An audit of a second, unnamed facility was scheduled for this spring.

Travel/Credit Cards. The Executive Officer had prepared a proposed executive order which would be available for Committee review on February 2.

Documentation of Received Goods and Services. A system had been worked out which would require department staff to sign a form verifying the receipt of goods or services.

General Discussion Concerning the FY 1987-88 Financial Audit. Chair Collier noted that Presiding Officer Mike Ragsdale had received a letter from Executive Officer Cusma explaining that certain problems identified by the auditors were the result of the Council's adopting a budget that was too detailed in allocation level. She asked Mr. Phelps to comment on that statement. Mr. Phelps explained the old computer system was not designed to respond quickly to the detailed level of budget allocation adopted by the Council. As a result, some cost overruns had resulted. He was confident those problems would not be repeated during FY 1988-89 because of the new computer system.

Chair Collier, referring to a memo from Mr. Phelps to Executive Officer Cusma, was concerned that Mr. Phelps had identified the problem as being the fault of the Council's rather than the result of outmoded computer equipment. Mr. Phelps said he had not written the memo and acknowledged that a particular statement in that memo would lead one to inaccurately assume the problem was mostly a result of the Council's policy.

Chair Collier assured Mr. Phelps the Budget Committee would continue pursue a policy of detailed budget allocation and that any fiscal management problems that could result from that policy should be immediately resolved and accurately explained.

3. Discussion Concerning the Community Relations Coordinator Position

Referring to the last paragraph Don Carlson's memo dated January 18, 1989, regarding Ordinance No. 88-277, Councilor Gardner asked Mr. Phelps to explain the current status of the Community Relations Coordinator position. He asked whether the position had been transferred from the Public Affairs Department to the Executive Management Department without the proper budget adjustment.

Mr. Phelps responded that although the person filling that position was physically located near the Executive Officer, he was still performing Public Affairs functions.

Chair Collier was concerned that the first quarter budget report had stated that 75 percent of that person's time was spent performing legislative and scheduling duties for the Executive Officer. She requested Mr. Phelps report back to the Committee on February 2 with a description of the duties performed by the Community Relations Coordinator and how those duties related to Public Affairs objectives and programs. Councilor Wyers additionally requested that duties and time allocations be provided in detail by means of a daily log. Councilor Gardner asked that Mr. Phelps clearly explain whether the person was reporting to the Executive Officer or the Public Affairs Director.

Don Carlson, Councilor Administrator, shared that it was his observation that the Community Relations Coordinator had assumed duties related to the Executive Officer's schedule and assisting the Government Relations Manager.

Chair Collier noted that the Council was very interested in curtailing growth of the Executive Management Department which the department should keep in mind when submitting its proposed budget for FY 1989-90.

1. Continued Discussion Related to Ordinance No. 89-281

The Committee discussed the recommendation it would make to the full Council concerning the ordinance. As a result of that discussion, Councilor Van Bergen made the following motion:

Motion: Councilor Van Bergen moved to recommend the Council file Ordinance No. 89-281 and that it be given no further consideration.

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

The motion carried. There was no further discussion and the meeting was adjourned at 7:15 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council