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MINUTES OF THE COUNCIL MANAGEMENT COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

November 20, 1986

Committee Members Present: Larry Cooper, Tom DeJardin, Jim
Gardner and Sharron Kelley

Committee Members Absent: George Van Bergen

Staff Present: Donald Carlson, Jennifer Sims, Don Cox
and Ray Barker

Chairman Gardner called the meeting to order at 4:30 p.m.

1. Consideration of Minutes

Motion: Councilor DeJardin moved the minutes of August 28,
October 23 and October 30, 1986, be approved.
Councilor Cooper seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin and Gardner

Absent: Councilors Kelley and Van Bergen

The motion carried and the minutes were approved.

2. Annual Insurance Status Report

Ed Stuhr, Grants/Contracts Manager, introduced Gil Henderson of Fred S.
James & Company, Metro's insurance brokerage firm. Mr. Henderson
reviewed a written report which listed the current status of exist-
ing Metro insurance coverages.

In response to Councilor Cooper's question, Mr. Henderson reported
the amount of liability claims had been low. He attributed this to
the positive attitude of Zoo employees when dealing with accident
situations, the Zoo being Metro's area of greatest exposure.

Councilor Kelley asked what specific actions could be taken to
reduce the agency's exposure. Mr. Henderson said the Solid Waste
Department was reducing exposure by contracting out operation of
major facilities. Also, Mr. Stuhr said he worked closely with Zoo
staff to identify areas of risk and to train employees how to reduce
exposure.

Councilor DeJardin thanked staff for the excellent report.

3. Auditor's Presentation of Management Letter Comments on
FY 1985-86 Audit

Don Cox, Accounting Manager, introduced Joe Hoffman and Roger Rowe of the audit firm of Peat, Marwick, Mitchell & Company.

Mr. Hoffman discussed highlights of written comments made by the FY 1985-86 audit team. In response to Councilor Van Bergen's question, Mr. Hoffman said the team determined the agency had exercised a reasonable level of controls which allowed for a financial audit to be conducted.

Councilor Van Bergen said he did not agree with the audit comment recommending closer gate receipt controls at Clackamas Transfer & Recycling Center. He said nothing would be gained by requiring haulers to produce a receipt after already gaining entrance to the facility. He requested the comment be removed from the report. Mr. Cox said staff had responded to the audit comment via letter. The letter had been distributed to Councilors.

Regarding the audit comment about vacation hour carryovers, Councilor Gardner questioned why administrators had not taken away hours from employees who were in excess of the allowable 200 hours vacation.

Commenting on the audit as a whole, Councilor Van Bergen said the audit reflected good staff procedures and was a complement to staff.

4. Investment Summary for the Quarter Ended September 30, 1986

Don Cox, Accounting Manager, reviewed the written investment report as contained in the agenda materials.

A discussion followed in which Councilor Kelley expressed concern that staff, rather than the financial advisors on the Investment Committee, had invested the District's funds. Mr. Cox explained the Committee had served to establish guidelines for investing funds and advised staff on specific matters. Day-to-day investment, however, were made at staff's discretion according to the guidelines. Councilor Kelley requested the Investment Committee report to the Management Committee at its next meeting regarding the District's investment policies.

Councilor DeJardin said the current investment system was working well and he saw no need to revise guidelines. However, he agreed to hear a report from the Investment Committee on the matter.

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There being no further business, Chairman Gardner adjourned the meeting at 5:30 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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