

MINUTES OF THE COUNCIL REGIONAL FACILITIES
COMMITTEE OF THE METROPOLITAN SERVICE DISTRICT

Regular Meeting
April 2, 1991

Committee members present: David Knowles (Chair), Jim Gardner (Vice Chair), Larry Bauer, Roger Buchanan, and Ruth McFarland

Chair Knowles called the meeting to order at 4:07 p.m.

1. Work Session to Discuss Issues Related to the Zoo Budget.

Sherry Sheng, Metro Zoo Director, gave a report on the Zoo budget. She reviewed the revenue adjustments necessary in order to address the impact of the excise tax, which is estimated at about \$335,000. She also reviewed the cuts in operations that would be necessary if no revenue adjustments were made. The projected effect of budget decisions on admissions was reviewed. Staff made projections on Zoo admissions through FY 94-95, based on a set of assumptions described by Ms. Sheng. Regarding these assumptions, Councilor Gardner asked how Ms. Sheng arrived at the figure for increased personnel costs. Ms. Sheng responded the increase was based on a 5% increase per year. Councilor Bauer asked how the 5.6% figure for the excise tax increase was arrived at. Councilor Knowles indicated it was based on the Executive Officer's proposed budget, and that the figure was subject to the budget process. Councilor Bauer also asked for a clarification of operating transfers. He asked about self-insurance costs in the first four years, and whether or not the fifth year would be substantially less. Ms. Sheng indicated that it would.

In order to achieve the desirable fund balance for FY 94-95, the following admission fee adjustments would need to be made. In July 1, 1991, an increase of \$1.00 would be required; and an increase of \$.50 per year would be required thereafter in order to create a positive fund balance and maintain the status quo level of operations. Ms. Sheng indicated it would take a lot of effort to maintain admission levels with fee increases.

Ms. Sheng then covered proposed cuts in operations. Staff's goal was to make cuts that could be maintained for a sustained period. Ten FTE would need to be cut along with cuts in capital services to bring the total to the projected \$334,000 excise tax amount. Cuts would include 7.0 FTE in Facilities Management and 3.7 FTE in Animal Management. Ms. Sheng indicated these changes would be made if no admission fee increases were approved. Councilor Knowles indicated he would work with Mr. Short to come up with a written draft recommendation to bring back to the Committee.

Councilor Bauer reminded the Committee of their clear consensus at the last meeting that in future any excise tax be included in

the admission fee. Ms. Sheng indicated Metro had been fair with the public in telling them that the initial fee increase was instigated to deal with problems due to Measure 5; and that it was not a final fee increase. However, regarding timing of a fee increase, she felt Metro could not increase the fee prior to July 1, 1991.

Councilor Gardner asked if projections of enterprise revenue included all sources of revenue, gifts, behests, support from the Friends. He requested information on other sources of income. Ms. Sheng stated this could be made available. Kay Rich, Assistant Zoo Director, indicated the amount of this type of support is currently approximately \$700,000.

Councilor Gardner suggested the Committee not make any fee adjustments or cuts in services until the results of Measure 5 were actually observed. He pointed out no one knows what is actually going to happen. Ms. Sheng said that as time goes on, the situation actually appears worsen. Councilor Knowles asked Ms. Sheng to work with staff to develop figures based on the assumption that there would be no fee increase between now and January 1, and an increase of \$1.00 at that time.

2. Work Session to Discuss Issues Related to the MERC Budget

Dominic Buffetta and Lee Fehrenkamp, of MERC, reviewed issues related to the MERC budget. Several handouts pertaining to this budget were distributed, and are part of the record. Following discussion, Councilor Knowles indicated he would work with Mr. Short to draft a written recommendation for review by the Committee.

There being no further business, the meeting was adjourned at 5:27 p.m.

Respectfully submitted,



Lindsey Ray
Committee Clerk

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