

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

Regular Meeting  
April 14, 1992

Committee members present: Susan McLain (Chair), Ed Gronke,  
Ruth McFarland, Ed Washington

Councilors absent: Tanya Collier (Vice Chair)

Councilors also present: Larry Bauer, Roger Buchanan,  
Richard Devlin, Jim Gardner, and  
George Van Bergen

Chair McLain called the meeting to order at 4:30 p.m.

1. CONSIDERATION OF THE MINUTES OF THE JANUARY 28, 1992  
REGIONAL FACILITIES MEETING

Motion: Councilor McFarland moved to approve the minutes as  
written.

Vote: Councilors McLain, Gronke, McFarland, and Washington  
voted aye. The motion carried unanimously.

2. CONSIDERATION OF ORDINANCE NO. 92-452

Kay Rich, Assistant Zoo Director, reported on Ordinance No. 92-452, which would revise the FY 1991-92 Budget and Appropriations Schedule for the purpose of transferring appropriations within the Zoo Operating Fund. Mr. Rich indicated Zoo attendance levels are 20% higher than projected, leading to increases in revenues and expenditures. He stated a result of the increased Zoo attendance is a need for additional staffing in the enterprise areas, and the purchase of additional merchandise for resale. Specific background and analysis can be found in the staff report which is included as part of the meeting record.

Councilor McFarland pointed out that in her tenure with the Solid Waste Rate Review Committee it was determined either an increase or decrease beyond a certain percentage of any given projection constitutes a need to go to a contingency fund for the reasons mentioned by Mr. Rich.

Motion: Councilor McFarland moved to recommend full Council  
adoption of the Ordinance.

Councilor Washington asked whether such a budget revision was a normal occurrence. Mr. Rich indicated such budget adjustments did occur with some regularity. However, he also pointed out the Zoo is predicted to have over \$325,000 additional revenue.

Chair McLain opened a public hearing to discuss Ordinance 92-452. No members of the public appeared to testify, and the public hearing was closed.

Vote: Councilors McLain, Gronke, McFarland, and Washington voted aye. The motion carried unanimously.

3. CONSIDERATION OF RESOLUTION NO. 92-1593

Jane Hartline, Zoo Marketing Manager, gave a report on Resolution No. 92-1593 which would authorize a release of an RFP for advertising agency services at the Zoo. She pointed out the Zoo has utilized an advertising agency for the past 12 years. The contract for advertising agency services, which was granted for a period of three years, is expiring soon. A copy of the RFP and the Resolution is included as part of the meeting record.

Councilor Gronke asked if the dates shown in the RFP would be corrected, and Ms. Hartline indicated they would be changed.

Motion: Councilor McFarland moved to recommend full Council adoption of the Resolution.

Vote: Councilors McLain, Gronke, McFarland, and Washington voted aye. The motion carried unanimously.

4. CONSIDERATION OF RESOLUTION NO. 92-1599

Ms. Hartline gave a report on Resolution No. 92-1599 which would authorize the release of an RFP for a non-budgeted contract for group sales services at the Zoo. Specifically, the proposed contract would permit advertising for the Zoo catering facilities. It is budgeted in the upcoming fiscal year budget, however, Zoo management wishes to start the program a few months early.

Chair McLain asked how this resolution would be accomplished. Ms. Hartline indicated it would be through a budget transfer, and that it was included in the ordinance above.

Councilor Washington asked how much group sales could be expected to increase as a result of obtaining the group sales contractor. Ms. Hartline indicated the projected revenues for the catering would increase approximately 35% to 40%.

Councilor Van Bergen asked if any Zoo catering would take place off the premises; and if Zoo staff had encountered any resistance from private caterers in the region. Ms. Hartline responded the Zoo did not cater off-property events. She also reported that

several entities that might be considered Zoo catering competitors are actually interested in catered events at the Zoo, as entertainment options for their out-of-town convention guests.

Motion: Councilor McFarland moved to recommend full Council adoption of the Resolution.

Vote: Councilors McLain, Gronke, McFarland, and Washington voted aye. The motion carried unanimously.

5. REVIEW OF MERC RESOLUTIONS ADOPTED ON APRIL 9, 1992

MERC Commissioner Mitzi Scott and Jeff Blosser, Convention Center Manager reported on MERC Resolutions adopted on April 9, 1992. A copy of these resolutions are included as part of the meeting record.

Mr. Blosser reviewed the MERC Facility Marketing Plan. A copy of this plan is included as part of the meeting record.

6. WORK SESSION TO CONSIDER BUDGET ISSUES RELATED TO THE REGIONAL FACILITIES DEPARTMENT

Mr. Short reviewed with the Committee the progress that had been made to date in the area of budget review and recommendations to the budget committee. A copy of an outline by Pam Erickson, Regional Facilities project manager, and a memo from Don Carlson, Council Administrator, outlining his recommendations for the Regional Facilities Department were reviewed and are included as part of the meeting record.

Mr. Carlson gave a presentation to the Committee regarding the Regional Facilities component of his April 6, 1992 memo. A copy of this document is included as part of the meeting record. He recommended a reorganization to merge the Regional Facilities department with the Finance and Management Information department. The reorganization would merge the five divisions within the Regional Facilities department with the five divisions of the Finance department into a seven division department. The financial impact would be to reduce the combined budget by \$650,000. Of this amount, approximately \$172,000 would be attributable to the reorganization.

Mr. Carlson stated the proposed changes would reduce internal operation expenditures, thereby relieving pressure on external revenue sources and operating fund balances. He stated his plan would help focus work programs and provide a simpler and more rational organizational structure.

Mr. Carlson referred to a memo submitted by Ms. Erickson outlining the department's proposed work program. Mr. Carlson felt the work program appeared to cover work that had already been done by a task force regarding facility funding, and to a lesser degree arts funding.

Mr. Carlson said the work program also involved a significant amount of fiscal analysis regarding the arts budgets and proposed expenditures, as well as a review of existing and potential revenue sources that would be handled in the Finance department. The other major activity identified in the work program proposed by Ms. Erickson is the End of the Oregon Trail project. Based on this, an assumption could be made that Metro is going to proceed with the project, however, Mr. Carlson pointed out this decision to proceed has not been made.

Mr. Carlson then addressed the construction management function as presented in his report. He stated a need for Metro to be more efficient and save money in this area. He also said Metro needed to develop a better focus of the construction management function.

Councilor McFarland commended Mr. Carlson on the clarity of the analysis of his report. She asked if the committee had ever passed a resolution in support of The End of the Oregon Trail. Mr. Short indicated that such a resolution had not been passed. Councilor McFarland stressed that the policy decision needed to be made before it was decided to fund it.

Councilor Gardner asked Mr. Carlson about the total of \$650,000 in cost savings to be gained by not only the proposed reorganization, but by all the proposed reductions. Of that, \$172,000 can be attributed to the reorganization. He asked how much is excise tax funding and how much is support services money. Mr. Carlson indicated the rough estimate is \$95,000 is excise tax. Also there would be some excise tax in the lowering of the transfers to the support services fund. Councilor Gardner followed up with a question about an estimate on the transfer savings to departments that receive direct funds from excise tax. Would \$5,000 be a ballpark figure? Would it be possible \$100,000 of general fund excise tax money could be attributed to the organization? Mr. Carlson said that would be correct.

Chair McLain expressed concern about reversing a departmental program that had only a one year trial. She asked whether the estimated savings took into consideration down time involved in the transfer of departmental responsibilities. Mr. Carlson said he anticipated very little down time.

Neil Saling, Director of Regional Facilities, responded to Mr. Carlson's report, referring to his memo dated on the proposed budget revisions, which is included as part of the meeting record. In response to a statement by Mr. Carlson, he agreed that it is very important that Council determine whether Metro will participate in The End of the Oregon Trail.

In response to a request by Chair McLain, Mr. Saling outlined the purpose of the construction management division for the benefit of the two new members of the committee. Councilor Gronke asked Mr. Saling if he felt each project should have its own project coordinator. Mr. Saling said that was not his intention.

Executive Officer Rena Cusma responded to Mr. Carlson's report. She stated the decision to create the Regional Facilities department had not been made without careful consideration and research. She also stated she felt it would be very disruptive to eliminate the department. She pointed out it was important to have such a department for public works, because these projects are often at risk of being sued. Finally, she stated the functions of the Finance and Regional Facilities departments were not of the same nature, and therefore, should be kept separate.

Councilor Gardner asked Mr. Carlson if the numbers he used regarding cost savings included the premise that the positions he was talking about would be downgraded and salaries reduced. Mr. Carlson indicated that the savings did include those derived from downgrading the Director of Regional Facilities to Construction Manager, and of downgrading the Construction Manager to Project Manager.

Councilor Buchanan stated he had learned from his experience in government that the reorganization of departments seldom saves money, and in fact often costs money. For that reason, he indicated he would view Mr. Carlson's recommendations in a critical light.

Councilor Gardner agreed with Mr. Saling's contention that the search for savings be made throughout the entire agency, and not focus on only one department. He pointed out other Council analysts were directed to search for the same kinds of savings in their respective departmental budget reviews during this budget process.

Councilor Washington indicated he was bothered by the fact that Metro staff were required to appear before the committee to defend their own jobs. He stated his intention of looking at the proposal with a very critical eye.

Councilor McFarland said she felt the committee should be primarily concerned with doing the public's business. She felt that discussing these program changes as proposed by Mr. Carlson in the committee venue went toward achieving the public's business in public. Councilor Washington pointed out his concerns did not preclude his determination to serve the public interest.

Councilor Gardner said no one should feel the reorganization proposal is intended to be a personnel action; that it is an organizational issue only. He said if proposed program changes took place, it would not be because of dissatisfaction with performance of those individuals whose jobs might be impacted.

Councilor Van Bergen indicated Council staff is acting under the direction of Council in making presentations such as the one under discussion. It is their job to review these issues during the budget process. He also stated Metro departments should be established by Ordinance.

Ms. Cusma stated the way the Council should exercise legislative authority with regard to program changes should be from the vantage point of the work program.

Chair McLain stated her opinion that the Finance department function is analysis and budget, whereas Regional Facilities is a programmatic department. She said the Regional Facilities department was needed to address the very important issue of finding funding for the regional performing arts system.

Councilor Gronke pointed out that in business the approach would have been for Council to give a budget limit to the Executive Officer to work with, and let staff work out where the cuts would be. He felt there was a measure of distrust on the part of Council that would not permit staff to have such leeway.

Councilor Van Bergen implored the committee to make a decision regarding The End of the Oregon Trail, as well as the arts program. Councilor Gardner agreed that these decisions were critical, however, he didn't feel the budget process was the proper place to make these decisions. His concern is that if the budget contains extensive funding for developing a regional consensus to support the End of the Oregon Trail, there is a strong implication that Metro has decided to support that project.

Motion: Councilor McFarland moved to accept the staff report as prepared by Don Carlson and to refer it to the Budget Committee.

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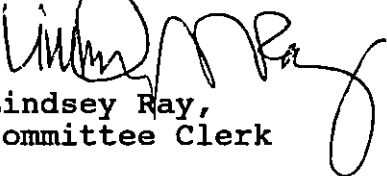
Vote: Councilors McFarland and Washington voted aye.  
Councilors McLain and Gronke voted no. The motion failed.

Motion: Councilor McFarland moved to forward both plans to the Budget Committee.

Vote: Councilors McLain, Gronke, McFarland, and Washington voted aye. The motion passed unanimously.

There being no further business, the meeting was adjourned at 6:25 p.m.

Respectfully submitted,

  
Lindsey Ray,  
Committee Clerk

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