

MEETING REPORT

DATE: May 15, 1979

SUBJECT: Ways and Means Committee Meeting

GROUP: Councilors Kirkpatrick, Deines, Stuhr, Berkman, Burton, and Banzer; Executive Officer Gustafson; Staff members Kent, Shell, Ockert, Waldele, Holstrom, Bieberle, Irvine.

1. Report on Status of FY 1980 Budget Process

Coun. Kirkpatrick suggested that a presentation be made in response to the Council's action on May 10, 1979, which was to recommend that the Ways and Means Committee reexamine the FY 1980 Budget to ascertain whether or not an additional contingency amount should be provided in the budget, and if so, what the target figure should be.

A brief presentation was made which reflected the Executive Officer's understanding of the Council direction at the meeting of May 10 to establish at least a \$50,000 contingency. Toward that end, a list of potential reduction areas was submitted with a recommendation that a contingency of \$50,000 be established and that an additional \$50,000 be accumulated during the year.

Discussion on the proposed list of reductions resulted in each of the Councilors expressing displeasure at one or more items as they appeared on the reduction list, or at items which did not appear on the list. Several questions were raised as to the effect of other possible reductions in terms of how those reductions would effect between federal and local revenues in the Planning and General Funds.

Councilor Berkman introduced a written memorandum in which he pointed out that decisions this year would severely impact next year's financial possibilities and calling upon the Executive Officer and Council to establish not only better accounting and finance controls, but also urging them to establish at least a \$100,000 contingency for FY 1980.

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Councilor Burton indicated that, in his view, a contingency should be made up by reducing General Fund accounts by reducing \$13,000 from the Council's account and \$40,000 from the Executive Officer's account.

Further discussion ensued relative to the source of funding for the Executive Officer, Council and other administrative functions. Councilors Berkman and Burton then left the meeting.

The Ways and Means Committee continued to discuss the budget and came to the conclusion that the agency may be better served by establishing a series of controls and reporting mechanisms, coupled with a financial reporting system to ascertain the status of building a contingency, rather than making fund cuts in the proposed budget. It was pointed out that the contingency amounts currently provided in the General and Planning Funds contain a larger amount for salary adjustments than is likely to be granted. The possibility of additional federal funding and carry-over funds, as well as salary fund savings, may provide a contingency adequate to satisfy the desires of all the Council without increasing the contingency fund at this point.

The Executive Officer was asked to prepare a report for a special Ways and Means Committee meeting which will be held Tuesday, May 22, at 5:00 p.m. Purpose of the meeting is to propose various controls and reporting mechanisms which could be used to give the Council an overview of the accumulation of additional contingency funds during the fiscal year.

It was requested that all Councilors be notified of this Ways and Means Committee meeting, and that they be asked to attend to provide any guidance they may have on this matter.

2. Discussion of Long Range Financing Options for MSD

The Committee proceeded with discussion of long range financing options for MSD. The Executive Officer began the discussion by suggesting that a central group of outside persons who were involved with the current

financing of MSD, including elected local officials, citizens and legislators, be involved in developing the long range financing options for the agency. He pointed out that possibly representatives of the Tri County Local Government Committee, which was instrumental in proposing the original structure and creation of MSD, could be brought into this financing option system.

Discussion ensued, with Coun. Stuhr indicating that, on the long term basis, the Boundary Commission is an available resource to MSD, as they had been in helping the Tri County Local Government Committee. She also pointed out that, in her view, we need to have a good idea of what the agency work program will be before we attempt development of specific financing plans.

Coun. Deines indicated that MSD should direct some of its energy toward providing services to cities to assist them, rather than to regulate them. Mr. Deines said a good example was the perplexing problem of sewer financing. If MSD could help solve some of those types of problems, the agency could much more readily gain the support of local governments in its long term financing efforts.

It was agreed that a written proposal to deal with formulation of a central group to discuss long term financing would be provided to the Ways and Means Committee within the next thirty days.

3. Discussion of Use of Consultant to Assist Council at Scheduled July Retreat.

Coun. Kirkpatrick explained that the possibility was discussed at the Detroit NARC Conference that the Council could use some people affiliated with the NARC to assist the Council in this retreat. She said that NARC had indicated that they would be pleased to provide any type of reasonable assistance that they could. It was pointed out that the other option available to the Council would be to retain a private consultant.

Coun. Deines raised a question as to whether or not a majority of the Council is ready to accept the fact

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that the Council needs some outside help.

Coun. Stuhr stressed that the Council needs to know what it wants to accomplish from the retreat before going into it. The Council also needs some type of outside evaluation as to how the organization is currently doing.

After further discussion it was decided to establish an item on the May 24 agenda to discuss the subject of outside assistance for the Council retreat.

4. Progress Report on Personnel Task Force

Mr. Charles Shell indicated that the first meeting of the Personnel Task Force will be held next week, and that the revised Interim Personnel Rules had been circulated to department heads, the Employees Association and business agent of the unions for review and comment prior to that time.

Mr. Shell indicated that the Ways and Means Committee will be kept apprised of the progress of the Personnel Task Force.

The meeting adjourned at 8:10 p.m.

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