

MEETING REPORT

DATE OF MEETING: May 22, 1979

SUBJECT: Ways and Means Committee Meeting

GROUP: Couns. Rhodes, Kirkpatrick, Williamson, Deines, Stuhr, Burton, Banzer; Executive Officer Gustafson; Staff members Kent, Shell, Bieberle, Holstrom and Ockert; Employees Association Representative Vickie Grimes.

SUMMARY: Ways and Means Committee Chairman Kirkpatrick called the meeting to order at 5:15 p.m. In response to a request made by the Committee at its previous May 15 meeting, Executive Officer Rick Gustafson presented a report on proposed control strategies to develop a larger contingency in the FY 1980 budget. Mr. Gustafson explained that these strategies were designed to assure that a larger contingency could be reached by establishing direct controls on the FY 1980 budget.

The Executive Officer reviewed the report in detail. The strategies include control over expenditures through two-month hiring freezes on vacancies in currently budgeted positions, a three-month delay in filling new positions authorized in next year's budget, controlling expenditures in programs which are "overmatched" with local funds and a review by the Ways and Means Committee of any contract expenditures over \$5,000 not predominately funded by either state or federal funds. Also, the Council would review work programs for Public Information and Citizen Involvement before any contract funds would be expended. Mr. Gustafson also outlined a series of financial and audit reports which would be provided to the Council.

Coun. Burton requested clarification on the strategy of freezing positions. The Executive Officer explained that the freeze applied to any vacancies which would occur in FY 1980. A process through which the Ways and Means Committee could approve a waiver of the freeze was described. New budgeted positions such as a secretary for Management Services, the Council Secretary and the Director of Environmental and Technical Services would be held open until October.

Also in response to Coun. Burton's questions, the Executive Officer explained that the current MSD procedures require Council approval of contracts over \$15,000.

Coun. Burton introduced a proposed resolution, prepared with the participation of Couns. Banzer and Berkman, to the committee for review. Coun. Burton requested a report from the Committee by the May 24 Council meeting.

The resolution requested financial and audit reports by specified deadlines and Council review of any contract expenditure over \$1,000.

Coun. Burton raised a series of budget questions with the Ways and Means Committee. He questioned whether the Committee had received job descriptions for new positions in the FY 1980 budget. He also asked whether the Committee had considered the shift of work load from the Public Information Office to the Council Secretary with the establishment of that new position. Coun. Burton questioned the need for 12 automobiles and the controls exercised over those vehicles. He also questioned the organization of the executive office. He requested clarification of the Chief Administrative Officer position and a justification of the \$148,000 in salaries in the Executive Management group. He indicated that he wanted to know the responsibilities of each position.

Coun. Stuhr questioned whether there were any differences between the resolution proposed by Coun. Burton and the Executive Officer's report, other than the limit on contract review.

Coun. Burton noted that the resolution did not include a position freeze provision. The main purpose of the resolution was to maintain control over expenditures. This resolution, he explained, was a supplement to the proposals to increase the contingency in the Planning and General Fund.

Coun. Banzer stated that she was concerned over spending the current year's cash carryover and the impact that this action would have next year.

Coun. Burton questioned the ability of the current budget to meet unanticipated requests to assist local jurisdictions and provide program flexibility without an increase in contingency.

Coun. Banzer described the resolution as a companion recommendation to the Executive Officer's proposal to increase contingency funds.

Coun. Deines stated that he saw no problem with joining the two proposals.

The Committee then discussed the appropriate dollar level to set for contract review. Coun. Banzer expressed a need to review contracts to be sure that the Committee's were aware of problems and of what was being done to implement programs.

Coun. Kirkpatrick stated that she thought the \$1,000 limit was too low and recommended a \$5,000 limit. This amount would tie Council review to the contract procedure for bidding.

Coun. Banzer expressed concern over \$8,500 in contractual Services in Public Information. The Executive Officer stated that this could be controlled through the work program which would be reviewed by the Council.

Coun. Kirkpatrick responded to questions raised by Coun. Burton. She stated that the Committee did review the new positions in the

budget and were satisfied with the justification. The shift of workload between Public Information and the Council Secretary was also considered. The shift would help Public Information absorb the heavy workload.

In response to Coun. Burton's question about what had changed to increase the workload, Public Information Director Judy Bieberle explained that the former CRAG directors used their own staff in each jurisdiction for support, rather than using the CRAG staff. Election of 13 councilors has increased the demand for material to use in public presentations.

The work which would shift to the Council Secretary includes filing of Council documents, assistance on correspondence, distribution of messages and assistance within Council Committees.

In response to the question on automobiles, Mr. Gustafson stated that consideration was being given to eliminating two leases and steps were being taken to establish car use policies and restrict the use of vehicles after business hours.

Coun. Rhodes stated her concern over the investment practices and the use of word processing. She also stated that she did not want the Chief Administrative Officer position replaced when the current incumbent vacated it. The position should be reviewed at that time.

Coun. Williamson thanked the Committee and other Councilors for the amount of time spent on budget considerations. He indicated that he felt the position of Council Secretary could be deleted, if necessary.

The Executive Officer reviewed responsibilities of the Executive Officer's staff in summary:

The Chief Administrative Officer is the second in command over the day-to-day activities of the organization and is responsible for developing work programs and departmental objectives. It was pointed out that, due to vacancies and the evolving nature of the organization to this point, the Chief Administrative Officer has not been able to function in that desired capacity.

In response to Coun. Burton's question, the Executive Officer affirmed that the position would be "politically" responsible to the Executive. Coun. Burton also questioned whether the development of goals and objectives were executive functions.

Mr. Gustafson discussed the position of Executive Aide. This person is his personal assistant who works on specific projects, acts as a liaison with departments, writes speeches and has currently been assisting with the legislative program.

Coun. Stuhr questioned whether duties would shift after the legislative session. Mr. Gustafson explained that other projects now being delayed would be assigned.

The Administrative Assistant, Mr. Gustafson explained, is responsible for the executive office, handling phone calls and drafting letters. The main responsibilities of the Assistant are seeing that people who contact the Executive's office receive a prompt reply, if the Executive Officer is unable to personally respond.

The Research and Policy Officer is responsible for program development which crosses departmental lines and is developing a grants management program.

The Clerk of the Council is responsible for maintaining the records of all Council meetings, and providing secretarial services to the Chief Administrative Officer.

Coun. Burton raised additional questions on duplication of duties between these positions. Coun. Kirkpatrick responded that the Ways and Means Committee had reviewed the Executive Officer's staff positions as part of the preliminary budget considerations and had been satisfied with the explanations made at that time.

Coun. Kirkpatrick called the Committee's attention to a letter from Coun. Miller supporting the existing budget and favoring control devices to ensure the accumulation of savings during the year.

After a recess, Couns. Kirkpatrick, Deines and Banzer discussed amendments to the resolution introduced by Coun. Burton.

To provide the staff with flexibility in meeting the proposed deadlines, the resolution was amended to read that a status report on the independent audit would be provided by the first meeting in November. The staff was directed to do everything possible to expedite the completion of the audit.

The main discussion centered on the type and level of dollar amounts of contracts to be reviewed by Council. Coun. Banzer wanted to retain the \$1,000 limit and extend review to all contracts in the Planning and General Funds. Mr. Gustafson raised the question of whether the Council's time would be properly spent by reviewing contracts which are predominately grant funded. He also questioned the definition of "review."

The discussion then centered on contract expenditures and whether they could be effectively controlled through program review by the substantive Council Committees, and on the level of the dollar amount. After discussion on this point, the Committee decided to set the review level at \$2,500 and review all contracts in the Planning and General Funds.

This, and all other provisions restricting expenditures, would be reviewed at the end of the first quarter. Recommendations would then be made on continuation, based on the financial status of the organization.

The Committee decided to incorporate the Executive Officer's report through a final item on the resolution. Coun. Banzer would incorporate the Committee amendments and carry the resolution to the Council on Thursday, May 24.

The Committee adjourned into executive session at 8:00 p.m.

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