

COUNCILOR BETTY SCHEDEEN -- DISTRICT 7

Term: January 1, 1979 - December 31, 1982

District Area: Gresham, Troutdale and East Multnomah County

Areas of Interest: Transportation
Zoo
Public Information
Futures

1981 - Vice Presiding Officer

Council Committees: 1979 - Zoo Committee
Transportation Committee
1980 - Coordinating Committee
Regional Services
Regional Development
1981 - Coordinating Committee
Regional Development
1982 - Vice Chair, Coordinating Committee
Regional Development
Futures Committee

Member of Tri-County Local Government Commission

Strong advocate and supporter of East County transportation projects

Johnson Creek flows through her district

She can take credit for changing the name of MSD to METRO

BETTY SCHEDEEN

Betty has been active in public affairs in the metropolitan area for 25 years. In the Gresham community she was the co-chairman for the creation of Mt. Hood Community College and helped initiate St. Luke's Church and pre-school, the Community Hospital, Gresham Greeters, League of Women Voters, Symphony, Opera and Light Opera Associations. As a member of the "Tri-County Local Government Commission" she was an initiator of the Metropolitan Service District.

Betty represents District 7, which includes eastern portions of Multnomah and Clackamas Counties and the cities of Gresham, Troutdale, Wood Village, Fairview, Boring and Damascus. Betty is a member of the Metro Transportation and Zoo Committees.

Betty has been chairman or board member of the Governor's Manpower Commission, Portland Public Schools' Career Education Committee, Portland State University returning women's programs, the Women's Council for Equality, the Urban League, Tri-Community Council, Community Arts Council, World Affairs Council, Institute of Public Affairs, National Council of Christians and Jews, and the Portland Chamber of Commerce.

Betty owned and managed Schedeen Personnel Agency for 20 years, and has been active in politics since 1952. She and her husband, Poly, a farmer and former state legislator, have raised two sons, both farmers, and two daughters, both actresses. Betty attended the University of Oregon majoring in Social Science. The Schedeens live in East County and their farm operation is in Clackamas County. Betty is coordinator of College Relations Services for Mt. Hood Community College.

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GUEST EDITORIAL FROM BETTY SCHEDEEN,
METRO COUNCILOR, DISTRICT 7

I asked for the opportunity to use this forum because I believe that as your elected METRO Councilor, I have a responsibility to answer the concerns I have heard expressed by my constituents regarding the bookkeeping tangle at METRO.

This newspaper and others have given the details of the situation in numerous stories. However, I think it would be helpful to explain what led us to the point where we had to cut \$320,000 from our general fund budget this year.

First, it is important to understand the problem which created the budget shortfall occurred in the last fiscal year -- that is, the fiscal year which ended June 30, 1981. The budget cuts were not made until a few weeks ago, however, because we did not know the extent of the problem until we were halfway through the current fiscal year, which began July 1, 1981. We certainly would have acted sooner if we had known we no longer had the \$600,000 surplus carried over from the last fiscal year.

The problems we experienced last year were explainable at the time and resulted from three factors:

- 1) Personnel problems and high staff turnover in the accounting department.
- 2) Higher expenses than budgeted, in large part because of the cost of trying to get the new computerized accounting system to operate properly.

- 3) Lower revenues than anticipated due to cuts in federal grants. The personnel and computer problems forced us to spend more money to get the computer working, and to hire an outside auditor to help straighten out the problem. As a result, we did not have an accurate picture of last year's fund balance until we received preliminary audit figures in mid-January.

Imagine the effect on your household budget if you did not have accurate and timely information on your income and expenses!

After personnel changes were made in the accounting department, and we received the preliminary audit figures, the reality of our financial situation came to light. The Executive Officer and Council immediately took strong and decisive action to bring the problem under control. The revised Fiscal Year 82 budget presented to the Council on January 29 projects a balanced budget at the end of the fiscal year (June 30, 1982) with a carryover of \$23,000.

The Council also appointed an outside financial review task force made up of accountants and business people in the community, and that group is now examining METRO's finances and will make recommendations for improvements. In addition, the Council is taking steps to tighten up METRO's contract and budget control procedures. All those actions are aimed at making sure there will be no repeat of the financial problems in the future.

I want to emphasize strongly that while this appears to be a very serious situation, it is not a crisis. Furthermore, our audit clearly states that there has been no embezzlement or fraud -- all

money is fully accounted for.

I also want to emphasize that this problem affects only our central support services -- the services provided through the general fund. Our programs at the Zoo, in garbage disposal and in transportation and criminal justice are not affected by the budget shortfall.

While no member of the Council or staff at METRO is taking this situation lightly, I have been informed by a number of people in accounting and in business that this is not an unusual situation when changing over to a computerized accounting system. In addition, most governments are facing budgetary shortfalls -- many on a much larger scale -- and I am confident that METRO will, as we must, have a balanced budget at the end of this fiscal year.

And finally, some people have interpreted the Council action on additional controls as attacks on the management staff and Executive Officer. I believe the Council should have been involved earlier, I fault myself for that lack of involvement, and I intend to stay closely involved as the situation is remedied. However, it is my intention that this be done in a cooperative effort with the Executive Officer and staff -- not as adversaries, but as partners working together to ensure that METRO meets all its obligations to the citizens of this region.

Each member of the Council is a non-paid, part-time elected official. From the outset of my position on the Council, I made a sincere effort to recognize the difference between management and administration versus policy making. As an elected Councilor, I

am on the policy making side, and I made every effort to respect that line. However, when the financial problems continued and the Council continued not to receive factual information, we should have exercised our responsibility and halted all business until answers to our questions were available.

If you any any questions or comments, I'd be happy to answer them. My phone number is: 665-4730.

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