

**MINUTES OF THE METRO COUNCIL/EXECUTIVE OFFICER  
INFORMAL MEETING**

July 27, 1999

Council Annex

Councilors Present: Rod Monroe (Presiding Officer), Ed Washington, Jon Kvistad, Bill Atherton, David Bragdon

Councilors Absent: Susan McLain, Rod Park

Executive Officer: Mike Burton

Presiding Officer Monroe convened the Council/Executive Officer Informal Meeting at 2:03 p.m.

**I. LEGISLATIVE UPDATE**

**Dan Cooper**, Legal Counsel, reported that the legislature had adjourned. He said copies of the gas tax bill, which had passed, would be distributed to council. He noted that the prison siting bill had also passed. He said a full report of all the bills they had tracked would be forthcoming.

**Mike Burton**, Executive Officer, thought Mr. Phelps wanted to attend the council meeting Thursday to give that report. He said Mr. Cotugno had been asked to put together the information JPACT would need to consider between now and February if the bill was referred. He said it had a budget note that listed \$600-\$750 million worth of projects which would be negotiated between the governor and others before the final release of the dollars in February. If the referral was unsuccessful, that list became leverage dollars off of the project. He said the information would be available to council as soon as possible.

**Mr. Cooper** said HB 2595 never got a hearing.

**Councilor Atherton** said that was true, and the Governor vetoed HB 2463. He said he had not realized that the gas tax bill was a "Christmas tree" bill.

**Presiding Officer Monroe** said JPACT would discuss which projects would be priority in this region if this measure was not referred or if a referral was successful.

**II. UPCOMING METRO LEGISLATION**

None.

**III. DISPOSAL SAVINGS**

**Presiding Officer Monroe** said Councilor Washington and his committee had been working on this issue for some time. That committee would hold another public hearing this week and additional hearings after legislation was created, probably in September. Presiding Officer Monroe said this would be one of the most important decisions the Metro Council would ever make, not just this year, but for a long time to come. He said it was really that important in terms of how they managed it. He hoped everyone would listen carefully to this presentation and ask

appropriate questions. He felt it would be best to save any questions until the end of each section of the presentation.

**Mr. Burton** commented that they were not seeking any decisions today. The intent was to outline the process and have council give some indication of what kind of ordinances they would like to have proposed to Councilor Washington's committee.

**Councilor Washington** thanked the council members for their attention to detail and their patience in going through this process. He appreciated everybody's support.

**Bruce Warner**, Chief Operations Officer, gave a basic overview of the key policy directions and decisions the council needed to make. (See hard copy of the entire presentation in the permanent record of this meeting.)

**Terry Peterson**, REM Environmental Services, showed projections for the next 5 years of what rates could be and bracketed options available to illustrate a sense of what the rates could be and how much revenue would be available to convert the excise tax for other uses. He shared background information of some of the solid waste fees and excise taxes and gave more detail on the contract cost reductions.

**Councilor Bragdon** asked how the weight/mile tax would affect the numbers.

**Mr. Peterson** thought Metro was exempt from paying that tax.

**Mr. Burton** said that was their preliminary thought, but they had to check on it. He said if they were not exempt it would have an impact.

**Mr. Peterson** continued with his explanation of the presentation charts. He concluded that the savings was in the transport and disposal portion of the tip fee and to capture those savings, the excise tax would have to be increased. He said there were a wide range of options available to the Council for the savings.

**Councilor Kvistad** asked Ms. Sims when the bonds came due for the transfer stations.

**Ms. Sims** said they would be completely paid off by 2012 and they had the ability to call them in sooner.

**Mr. Cooper** said if they had the cash they could deposit in escrow with a major bank right now, the amount that would be sufficient together with interest on it to pay off the bonds.

**Councilor Kvistad** said if they had the opportunity to rethink the way they were operating, maybe one of the things would be whether they wanted to be in the business of providing the service or did they want to be the regulator.

**Jennifer Sims**, Administrative Services Director, updated the general fund projections and needs. She said the spending in the general fund was higher than the budgeted revenues to the general fund for the current fiscal year. She said without any change in resources they were projecting a need to reduce spending by about \$680,000 for next fiscal year to maintain. She explained the General Fund Revenues and Expenditures graphs included in the meeting packet.

**Mr. Warner** reminded the council of the charter and the voter approved tax spending limit. He said it looked like they would fit into the voter approved cap for the next 5 years. He explained the components of the Metro tip fee and the Options to Capture Available Revenue charts. He said the cost for transport and disposal in the first year of full savings would go from \$35.59 to \$29.24. He reviewed the other charts in the packet. He said the current excise tax was based on a percentage of the cost. He felt they should look at revising that to make it a per ton basis. He envisioned having an excise tax, a code ordinance, and a tipping rate ordinance. He gave some examples of excise tax rate history and options to capture available revenue. He commented on an option that he liked but that did not appear in the presentation, which essentially held the material recovery facilities harmless, but said landfills, Metro and private transfer stations were paying the same rate. He asked the councilors for their input and ideas.

**Presiding Officer Monroe** reiterated that if anyone had an idea, they would be happy to run it out to see how it would work.

**Councilor Washington** thought the idea that was not on the list should be added.

**Mr. Warner** added that this assumed 100% of the savings in year one would go to other non-solid waste purposes. If the council decided they wanted to put additional money in recycling or other solid waste programs, this number would go down as well as the excise tax rate.

**Councilor Atherton** asked about the logic of having all the disposal facilities at the same rate.

**Mr. Warner** said that was the point he had been trying to make with the option not on the table: one of Metro Council's policy directives was to get waste out of the waste stream and landfills and recover it for beneficial use. Therefore, he felt it did not make any difference which landfill the material went into, it still was material that should be recovered and used. People would be rewarded for recycling and recovering materials, and if they took stuff to the landfill, they would have to pay a uniform price.

**Presiding Officer Monroe** said they needed to remember that the private material recovery facilities only paid on the part they did not recover and had to send to a landfill. That was usually around 50%. He thought maybe a higher fee might be additional incentive for them to recover more, too.

**Councilor Kvistad** felt the policy decision Council had to make was what were the options of giving the money back and not using it, and what kind of cuts the agency would have to make to be neutral. He said the option presented of suddenly and automatically taking the money into the general fund was not on the table for him at this point. He wanted to know what the council needed to do to get their house in order, and what opportunities were available if they got this extra money vs if they directed the money for some other purpose. He wanted proof that the agency needed more money for "stuff" that would be of concern to the people in his community. He thought a philosophical discussion of where the agency wanted to go with this was in order.

**Mr. Burton** agreed that was part of this process. He noted the general fund revenue and expenditure graph on page 28 in the handout that showed the differences in the projections so they could make some decisions about the cuts from the past and whether they needed to be restored.

**Presiding Officer Monroe** brought up an issue that had not been discussed at this meeting, which was the approximately one-fourth of the excise tax revenues that did not come from solid waste but other regional facilities like the Zoo. He said one of the ways to spend this savings was to reduce the amount of that take.

**Councilor Kvistad** said there had not been any discussion in about 4-5 years regarding the agency's "bare bones" needs. He thought was a good place to begin the discussions for this decision.

**Mr. Burton** offered to facilitate that discussion.

**Councilor Atherton** said he could understand the concern but thought he would start the discussion by looking at the solid waste enterprise to figure out their complete liabilities and some opportunities for expansion and improvement. He felt they should make sure they met all of their solid waste obligations before they started creative discussions about the balance.

**Councilor Kvistad** said there were many enterprises including greenspaces, transportation, and land use. They were component parts of a public sector business environment and what happened here affected somewhere else. Splitting a rate to fund different parts of the agency did not work. He agreed they should look at that component but wanted it clear how they interlinked with each other.

**Councilor Atherton** suggested the solid waste portion be discussed first to find the parameters.

**Councilor Washington** thought the solid waste discussion should take place at the REM Committee. He said today was for gathering the needed information to respond to the numerous requests they had received for the savings. He felt Councilor Kvistad's points were discussion for the finance committee. He thanked Mr. Peterson for the thoroughness of the presentation.

**Presiding Officer Monroe** said a decision like this had not been made by council before and it was critical to have such a presentation so they could have all the information they needed.

#### **IV. EXECUTIVE OFFICER COMMUNICATIONS**

**Mr. Burton** presented a letter summarizing what was just discussed for the Councilors' briefing books. He also commented that he had received an invitation from the National Association of Regional Councils (NARC) to sponsor the 36<sup>th</sup> annual conference in 2002. He reminded them that putting on a conference was not cheap and asked for an answer by the next informal meeting so they could appoint a team to study the idea.

#### **V. COUNCILOR COMMUNICATIONS**

**Councilor Kvistad** said the only item on the Transportation agenda was a Parametrix amendment to the final EIS statement which was a general finance thing. He wanted to bring it directly to council if there was no objection. There was none.

**Presiding Officer Monroe** asked Councilor Kvistad to carry the amendment to Council on August 12, 1999.

#### **VI. ADJOURN**

There being no further business to come before the Metro Council, Presiding Officer Monroe adjourned the meeting at 3:55 p.m.

Prepared by,

Chris Billington  
Clerk of the Council

Doc. Date	Document Title	TO/FROM
July 27, 1999	Outline of Presentations for Council/Executive Officer Informal Meeting	Council/REM