

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REPEALING ) ORDINANCE NO. 99-831  
METRO ORDINANCE NO. 99-824A AND )  
DECLARING AN EMERGENCY ) Introduced by  
) Council Budget Task Force

WHEREAS, on October 28, 1999, the Metro Council adopted Metro Ordinance 99-824A, amending certain provisions of Metro Code Chapter 7.01;

WHEREAS, the Metro Council now finds that it is desirable and in the public interest to repeal Metro Ordinance No. 99-824A; and


WHEREAS, it is necessary for the welfare of Metro area that this Ordinance No. 99-831 be in force before the provisions of Metro Ordinance 99-824A are effective; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

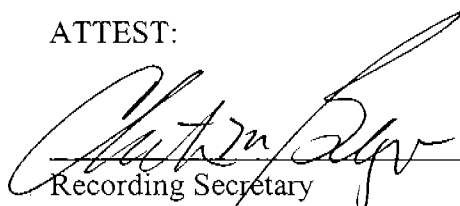
1. Metro Ordinance No. 99-824A is repealed.

2. Because this Ordinance is necessary for the welfare of the Metro area so that its provisions will be effective prior to the effective date of Metro Ordinance 99-824A, an emergency is declared to exist, and this Ordinance shall take effect immediately pursuant to Metro Charter Section 39(1).

ADOPTED by the Metro Council this 9th day of DECEMBER, 1999.

  
Rod Monroe, Presiding Officer

ATTEST:

  
Recording Secretary

Approved as to Form:

  
Daniel B. Cooper, General Counsel

MDF:jep/jh/kaj  
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## Staff Report

### IN CONSIDERATION OF ORDINANCE NO. 99-831, FOR THE PURPOSE OF REPEALING METRO ORDINANCE NO. 99-824 AND DECLARING AN EMERGENCY

November 22, 1999

Presented by: Councilor Park

## Purpose

Ordinance No. 99-831 repeals Metro Ordinance No. 99-824. The emergency clause would allow the repeal to take effect immediately.

## Background

At its October 28 meeting, the Council adopted Ordinance No. 99-824. The intent of the ordinance was principally to replace the current 8.5% excise tax on certain revenue from the disposal of solid waste at Metro and other facilities with a \$9 per ton tax. The effect of the change would be to retain the projected savings within Metro, with 40% dedicated to solid waste purposes and the remaining 60% dedicated to non-solid waste purposes, including possible funding of local environmental projects.

Since the enactment of the ordinance, several events have occurred that have raised questions concerning the advisability of proceeding with the original ordinance. These include:

**October Solid Waste Tonnage Forecast.** The REM department annually prepares a tonnage forecast in October in order to assist in the preparation of the department's budget and allow for the forecasting of current and future excise tax collections. The forecast, issued after the adoption of Ordinance No. 99-824, shows a decline in tonnage for the current fiscal year of about 20,000 tons. The effect of this new forecast on excise tax collections could result in a \$200,000 deficit in the general fund for the current fiscal year.

**Effect of Meeting Recycling Goals.** State law requires Metro to achieve a recycling rate of 56% by the end of 2005. Councilor Park requested information on the impact of meeting this goal on the projected savings. The REM department's response indicates that meeting the goals would result in lower disposal tonnage. As a result, Metro's per ton fixed costs would increase, which would result in higher tip fees. In addition, the resulting lower tonnage would result in lower tax collections (\$2.4 million annually) for non-solid waste uses from the per ton tax enacted in Ordinance No. 99-824.

**Fund Expenditure Consensus.** The Council continues to receive a wide range of proposals for the expenditure of the non-solid waste tax revenues collected under Ordinance No. 99-824. The Executive Officer, Councilors, the public and the media have made these proposals. Given the budget uncertainty and the lack of consensus concerning the expenditure of the funds, the proposed repeal would give the Council additional time to consider the full budgetary impacts of the contract savings.

## Budget Impact

The repeal of Ordinance No. 99-824 would result in the savings received from Change Orders 8 and 24 reducing total expenditures in the Solid Waste Revenue Fund. The effect would be to increase the ending Solid Waste Revenue Fund balance by an estimated \$2.6 million for the

current fiscal year. These funds could then be allocated solely for solid waste needs or purposes in FY 00-01. None of the contract savings would accrue to the General Fund.