

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL/EXECUTIVE OFFICER INFORMAL MEETING
DATE: July 27, 1999
DAY: Tuesday
TIME: 2:00 PM
PLACE: Council Annex

CALL TO ORDER AND ROLL CALL

- I. LEGISLATIVE UPDATE
- II. UPCOMING METRO LEGISLATION
- III. DISPOSAL SAVINGS
- IV. EXECUTIVE OFFICER COMMUNICATIONS
- V. COUNCILOR COMMUNICATIONS

ADJOURN

NARC **National Association of Regional Councils**

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July 16, 1999

Mike Burton
Executive Officer
Metro
600 NE Grand Avenue
Portland, OR 97232

Dear Mr. Burton:

It is time to begin the site selection process for NARC's 36th Annual Conference and Exhibition in 2002! The NARC Board of Directors has divided the country into three broad geographic areas and has established a policy of rotating the conference site among these three regions.

With this rotation in mind, Region III, which comprises the west, is the site of the 2002 Conference. Based on the requirements for hotel facilities, your metropolitan area could be eligible to host the Annual Conference.

The contributions and support of the local host council play a key role in the success of the Conference. The attractiveness of the site has also been identified by the NARC Board as an essential element to the success of the conference – great meetings in great places!

The requirements and optional commitments for potential host and hotel/convention facilities are enclosed. If you are interested in being considered as a host council for the 2002 Annual Conference, please follow these steps:

1. Send a "Letter of Interest" to the National Association of Regional Councils, postmarked no later than August 20, 1999. This letter informs NARC of your interest and does not commit your council to bid on the conference.
2. Should your council choose to bid for the Conference, you must then submit a "Letter of Intent" to NARC. Your "Letter of Intent" must be mailed to NARC, postmarked no later than September 10, 1999. Included with this letter must be: a proposal containing a resolution adopted by your council's board supporting this endeavor; a statement from the council agreeing to meet all the basic minimum requirements; a list of the optional commitments your council plans to make; and, a letter of support from your local convention and visitors bureau.

3. After the NARC staff site inspection visit, in the fall, a copy of your finalized bid must be submitted to NARC and postmarked no later than October 8, 1999. Please plan to directly mail a minimum of 30 additional copies to the NARC Board of Directors.

A site inspection by the NARC staff will be scheduled upon receipt and review of your initial bid package. The site inspection will cover the following criteria:

- ✦ Host Agency Proposal
- ✦ Attractiveness of Site
- ✦ Available Air and Ground Transportation
- ✦ Costs
- ✦ Guest Room Accommodations
- ✦ Meeting Facilities

The information gathered during the site inspection will then be presented to the NARC Board during their November meeting. A representative from each council will be given fifteen minutes to formally address and Board. Each council presentation may be made by a maximum of three people, which may include the Executive Director and/or Regional Council Chair or a representative from the Chamber of Commerce, Convention Bureau or Hotel. Once all presentations have been delivered, the Board will hold a closed-door discussion on the conference site and a decision will be announced the following day.

If there is any further information I can provide or if you have any questions about the bidding process, please feel free to contact me at 202-457-0710, Extension 11.

Sincerely yours,



Patsy Chappelle
Director of Operations

Enclosures (2)

Host Council Proposal Information
Hotel/Convention Facilities Information

Conference Host Responsibilities

Basic Minimum Requirements:

- Membership – Must be a full member in good standing in the National Association of Regional Councils.
- Reception – Assume full financial and logistical responsibility for the Welcome Reception held on Saturday during the conference for a minimum of 500 people. The host council and a local enterprise wishing to make a contribution to the conference could jointly sponsor this function. NARC's conference coordinator will play a consulting role in this effort. The reception should be such that the delegates should not have to make dinner reservations following the reception. At a minimum the reception should include beer and wine. Additional costs that should be considered and included as a part of the cost may include transportation, facility rental and entertainment. Based on previous conferences, the total costs for the reception may be anywhere from \$35,000 to \$40,000. Some of these costs may be in the of form of contributions such as free rental of a facility. A listing of previous hosts with phone numbers will be made available.
- Morning/Afternoon Refreshments – Assume full financial responsibility for complimentary continental breakfast/soft drinks for delegates in the exhibit area during the three main conference days. The cost for each continental breakfast is approximately \$3,000. The afternoon breaks cost approximately \$1,500 per day.
- Hotel contract/negotiation – NARC staff will negotiate hotel and convention facility contracts in consultation with the host. NARC will be responsible for signing the hotel contract.
- Meeting Space – Assume financial responsibility for the rental of meeting in the event there are any charges either at the hotel or outside facility. Complimentary space is generally negotiated with conference hotels based on sleeping room pickup.
- Duplicating Equipment – Assume financial responsibility and make arrangements for the rental of two copiers; one with collating and automatic document feeding capability, and one table-top model for single copies. Local suppliers generally donate duplicating equipment. Cost to rent the equipment is approximately \$1,000.
- Communications Equipment – Assume financial responsibility and make arrangements for the rental of six (6) walkie-talkies for the duration of the conference. This equipment is generally donated. The cost to rent is approximately \$1,200.
- VIP Transportation – Provide ground transportation to and from the airport for a maximum of 10 VIPs. A member of the NARC staff will work with you to coordinate this effort.
- Computers and Office Equipment – Assume financial responsibility and make arrangements for the rental of the following; three (three) computers with two laser printers (more detail provided closer to the conference), two calculators with tape and an LCD panel with projector for PowerPoint presentations. The cost to rent this equipment could cost \$2,000.

Basic Minimum Requirements (cont.)

- Conference Support Staff – Provide volunteers from the host council for secretarial, registration, program aides, information desk, and support staff to assist throughout the conference. NARC will submit its requirements to the host council well in advance of the conference.
- Flowers – Assume financial responsibility and make arrangements for head table and/or registration floral decorations.
- Clergy – Select clergy to present a nondenominational invocation at the opening ceremony and at the general luncheon.
- Press Relations – Issues press releases and invite local press to attend the conference. During the conference, the host council's public information director should be available to assist the press. A staff volunteer photographer will be needed throughout the conference to photograph all activities.
- Program Speakers – Assist NARC in identifying and securing elected officials and individuals from the business community in your region as potential program speakers—especially the Governor and Mayor.
- Pre-conference Exhibits – Display an exhibit at the preceding Annual Conference and the Washington Policy Conference. This exhibit should be designed to advertise the Annual Conference and Exhibition with promotional literature to attract interest and attendance. Local convention bureaus are familiar with this process and can be of assistance in providing materials and brochures. Budget 1-2 people to attend the prior year's Annual Conference and the Washington Policy Conference with a display that promotes the conference.
- Exhibitors/Advertisers – Assist NARC in identifying potential exhibitors, sponsors and advertisers for the conference.
- Board of Directors – Assume financial responsibility for hosting a reception and dinner for the NARC Board of Directors for 50 people. The cost is approximately \$3,000.
- Promotion – Assume financial responsibility for promotional mailings to potential attendees, exhibitors, etc. Cost may vary depending on postcard format or marketing brochure.

Optional Commitments:

- Cocktail Reception – Assume financial responsibility for hosting a one-hour reception for delegates prior to the banquet. A minimum of 400 people.
- EDC – Assume financial responsibility for the host council executive director to host a one-hour reception, continental breakfast, or lunch for the Executive Directors Committee (EDC). Approximately 40 people.

NOTE: Total costs can range from \$35,000 to \$140,000. A list of previous conference hosts with budgets and contacts will be provided upon request.

Hotel/Convention Facilities

Minimum Requirements:

In order for a region to be considered as a site for the NARC Annual Conference and Exhibition, the following basic minimum requirements must be met. NARC staff site inspection visits must verify that all minimum requirements are met in order for the potential host council to place a formal bid before the Board of Directors. The minimum requirements are listed below.

- **Conference Location** -- The conference site must be located within the actual geographic boundaries of the substate region where the prospective host council has actual planning and coordination responsibilities.
- **Dates** – Five days in late June, with an arrival on Friday and utilizing a Saturday through Tuesday meeting pattern.
- **Sleeping Rooms** – A block of 350 sleeping rooms, with a majority of the sleeping rooms in one hotel utilizing no more than two hotels in a two block radius of either the headquarters hotel or convention center, depending on location of meeting rooms. Major guest arrivals will be on Saturday with major departures on Wednesday.
- **Meeting Space** – All meeting and exhibit space must be located within one facility. The general meeting space requirements include: a sessions in rounds to accommodate approximately 400 people; five breakout rooms for 100 people theatre, three smaller breakouts for 40 people hollow square, and space for 25 exhibits. A more detailed listing will be provided after the initial site visit.
- **Sleeping Room Rates** – The hotel(s) will offer a minimum of 30% off the rack rates that are in effect one year prior to the start of the conference or guarantee no more than a 5% increase per year over the present convention rates, whichever is less. Rates are for “run of the house” single or double occupancy.
- **Complimentary Suites/VIP Upgrades** –
 1. Premiere one-bedroom suite with a parlor that will comfortably accommodate 30 people for the association president
 2. One-bedroom suite for the conference host
 3. Four VIP upgrades for association officers
 4. Complimentary room for conference coordinator
 5. 6 VIP amenities
- **Americans With Disabilities Act (ADA)** – Hotel/convention facility must provide accommodations for handicapped and disabled attendees. All facilities must be in compliance with ADA, Rehabilitation Act and their corresponding regulations and amendments during the dates of the conference.

Optional Commitments:

- Parking -- Provide two complimentary parking spaces for NARC staff and two additional spaces for the host.
- Staff Rooms -- Provide a maximum of 10 staff rooms at a 50% discount off the convention rate.
- Discount on Food and Beverage -- Provide a discount on food and beverage menus.
- Reception -- Complimentary Reception for 50 people.
- Continental Breakfast -- Provide a complimentary continental breakfast in staff office (approximately 12 people) during the conference.
- Complimentary Luncheon -- Provide complimentary luncheon (assorted sandwiches) in the staff office (approximately 12 people).
- Bar -- Provide a fully stocked bar for association president.
- Transportation Assistance -- Provide VIP transportation to and from the airport for up to 10 people.
- Audio/Visual -- Waive set-up fees, provide a % discount off the rental of all equipment, provide one complimentary mike in all meeting rooms where appropriate.
- Complimentary Suite -- Provide a complimentary suite for the association executive director.
- Complimentary Sleeping Rooms -- Host a two-day meeting for association executive board (8 people), at a mutually agreed upon time, prior to the conference.
- Complimentary Accommodations for three site visits by association conference coordinator.

**METRO**

July 21, 1999

Rod Monroe, Presiding Officer
Metro Council
600 NE Grand Avenue
Portland, OR 97232

Re: **Solid Waste Savings**

Dear Presiding Officer Monroe:

Allocating the solid waste savings will be a challenging task. The Council has received numerous requests for a share of the proceeds and, no doubt, will receive many more before it finishes its deliberations.

At the outset the Council needs to decide whether to convert any part of the savings for general fund use, to use it for other solid waste programs or to reduce rates. Converting the savings to general fund use would be consistent with the Charter's expenditure authority approved by voters in 1992. The voters authorized Metro to expend up to \$12.5 million in niche taxes annually (adjusted for inflation). Even if the Council converts all the savings to general fund use, total expenditures will be less than the voter-approved cap that is now about \$15 million.

As the Council considers converting some of the savings to the general fund, the first order of business should be to get Metro's financial house in order. We need to rebuild the general fund balance to a prudent level with a one-time contribution, to plan for future operating cost increases and to address at least some of the deferred maintenance requirements in our parks. Finally, on the solid waste side of the equation, we should consider carefully the extent to which we are using REM's fund balances to stabilize tipping fee rates.

Next we should focus on Metro's primary mission—implementing our 2040 Growth Concept. We must provide the Growth Management Department with the resources necessary to perform its core functions well. Simultaneously we should establish a short-term (3 to 5 years), need-based and leveraged program of planning grants for local governments.

Finally we need to take steps to improve the solid waste recycling rate. The best bet may be a strategically focused grant program that targets commercial recycling or improves our existing incentive programs.

My staff and I stand ready to assist you with data and analysis. In addition I will soon be forwarding programmatic recommendations for the Council's consideration.

Sincerely,

Mike Burton
Executive Officer

c: Councilors
Council staff

Outline of Presentations for Council/Executive Officer Informal Meeting

July 27, 1999

1. Introduction

(Mike Burton, 10 min.)

2. Basic Overview of Key Direction/Decisions and Schedule

(Bruce Warner, 10 min.)

3. Solid Waste System and Metro's Tipping Rates

(Terry Petersen, 25 min.)

4. General Fund Projections and Needs

(Jennifer Sims, 15 min.)

5. Excise Tax Options and Impacts

(Bruce Warner, 15 min.)

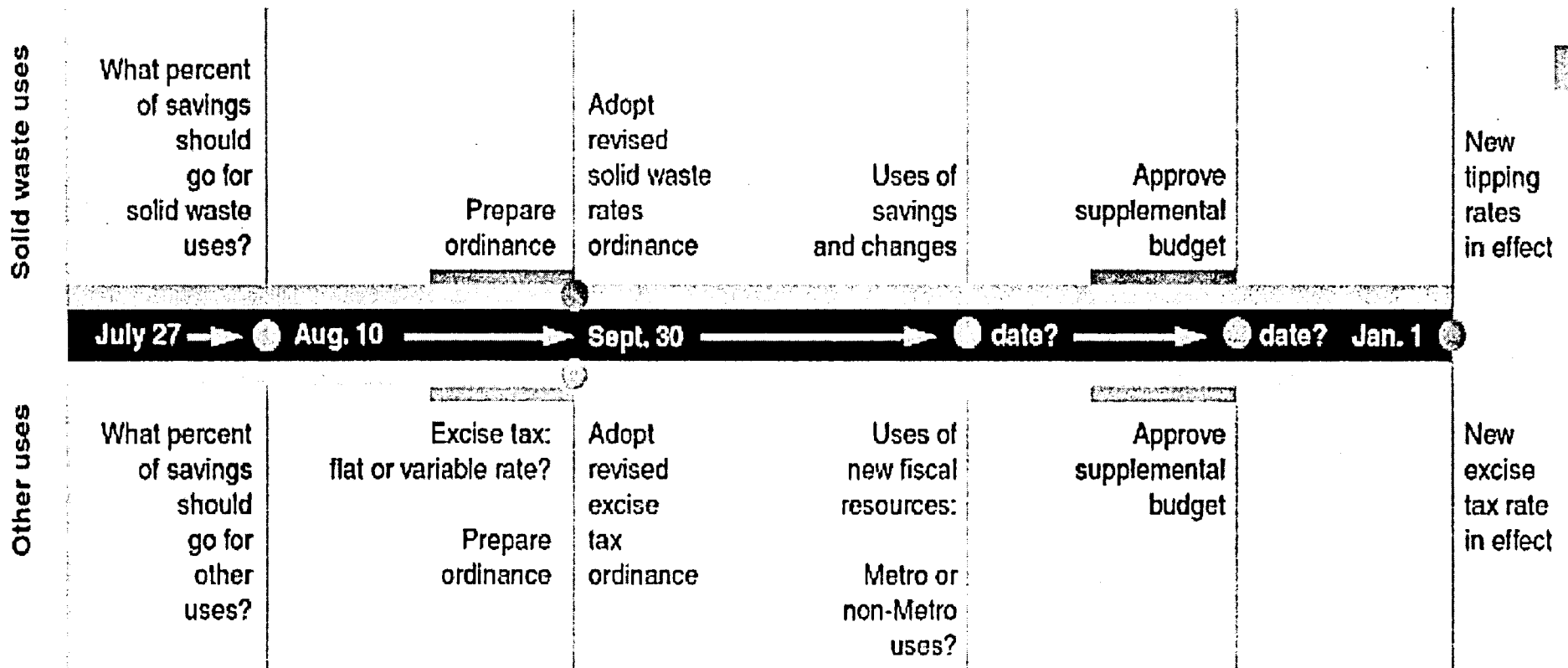
6. Questions and Answers

EXPECTED OUTCOMES OF THE INFORMAL WORK SESSION

- **Understanding of the key policy direction, decisions and schedule**
 - **More detailed knowledge of our regional solid waste system, solid waste rates, contract savings and impacts/options for tipping rates**
 - **Understanding of Metro's excise tax on solid waste – the current basis for collection and options for the future**
 - **Recognition of the latest information on Metro's General Fund due to inflation and revised labor contracts**
 - **Identification of any further information or analysis that would aid the Council and the Executive Officer**
-

Key decisions timeline

Change orders 8 and 24 savings



● = Informal council direction requested

● = Formal council action required

▬ = Public hearing process

SOLID WASTE INFORMATION

- Solid Waste Fees and Excise Tax
 - Role of private facilities
- Contract Cost Reductions
 - Metro and some private facilities
- In 5 years:
 - Metro rate \$60 to \$69 per ton
 - Additional annual excise tax \$0 to \$6.8 million

SOLID WASTE SYSTEM FACILITIES

Within Region

- Metro-Owned (2)
 - Metro South and Central Transfer Stations
- Metro-Regulated (6)
 - East County Recycling

Outside Region

- Designated Facility Agreement (5)
 - Roosevelt Landfill
- No Agreement With Metro (3)
 - Riverbend Landfill

Solid Waste "System Facilities"

Disposal Sites Within the Region

Metro-Owned

Metro Central
Metro South

Metro-Regulated

<u>Facility</u>	<u>Type</u>	<u>Owner</u>
Forest Grove	transfer station	Waste Management
Pride	MRF/reload (+ direct haul)	Mike Leichner
Recycle America	MRF/reload (+ direct haul)	Waste Management
WRI	MRF/reload (+ direct haul)	Waste Control Services*
East County Recycling	dry waste material recovery	Ralph Gilbert
Wastech	dry waste material recovery	Waste Management

Disposal Sites Outside the Region (Landfills All)

Facilities having a cooperative agreement with Metro:

<u>Facility</u>	<u>Location</u>	<u>Owner</u>
Hillsboro Landfill	Washington County	Waste Management
Lakeside Landfill	Washington County	Howard Grabhorn
Columbia Ridge Landfill	Eastern Oregon	Waste Management
Finely Buttes Landfill	Eastern Oregon	Waste Connections
Roosevelt Landfill	Eastern Washington	Allied (Rabanco)

No agreement with Metro:

Valley Landfill	Corvallis	Waste Control Services*
Riverbend Landfill	Yamhill County	Waste Management
N. Wasco County Landfill	Eastern Oregon	Waste Connections

* Parent company of United Disposal and Keller Drop Box (Washington & Clackamas County haulers) and Willamette Resources, Inc. (WRI) material recovery facility.

FACILITIES OUTSIDE METRO BOUNDARY

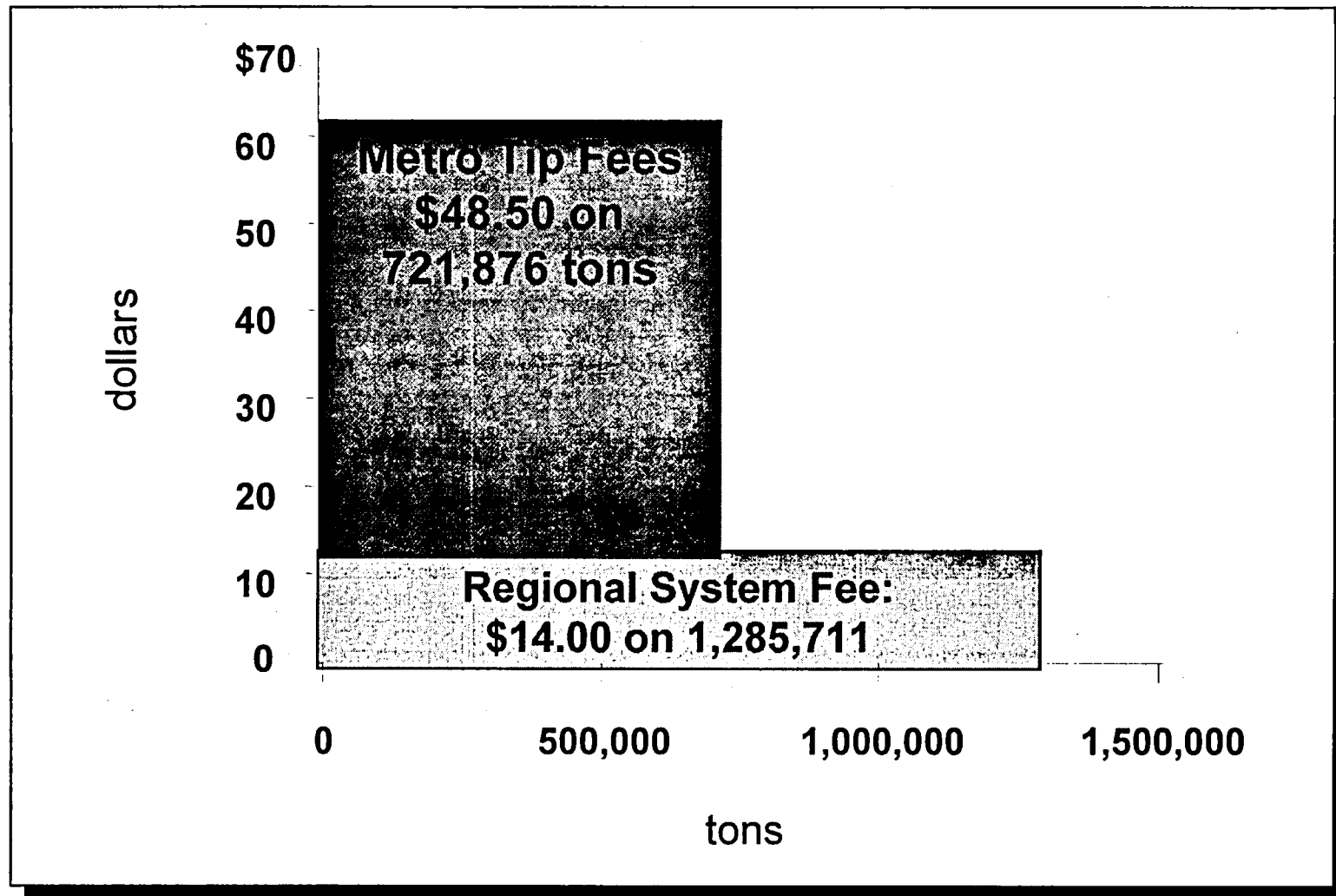
- No regulatory authority
- Designated Facility Agreements (5)
 - Facilities get a limited amount of waste
 - Metro gets excise tax and solid waste fees
 - Simple low-cost revenue collection method

SOLID WASTE FEES

Most solid waste revenue from 2 fees:

- Regional System Fee
 - \$14 per ton FY99-00
 - Includes \$1.10 in excise tax
 - Hazardous waste, waste reduction, education, administration
 - Metro and non-Metro facilities
 - Credit at recovery facilities
- Metro Tip Fee
 - \$62.50 per ton FY99-00
 - Includes \$4.76 in excise tax
 - Operation of transfer and disposal system
 - Metro transfer stations only

SOLID WASTE FEES

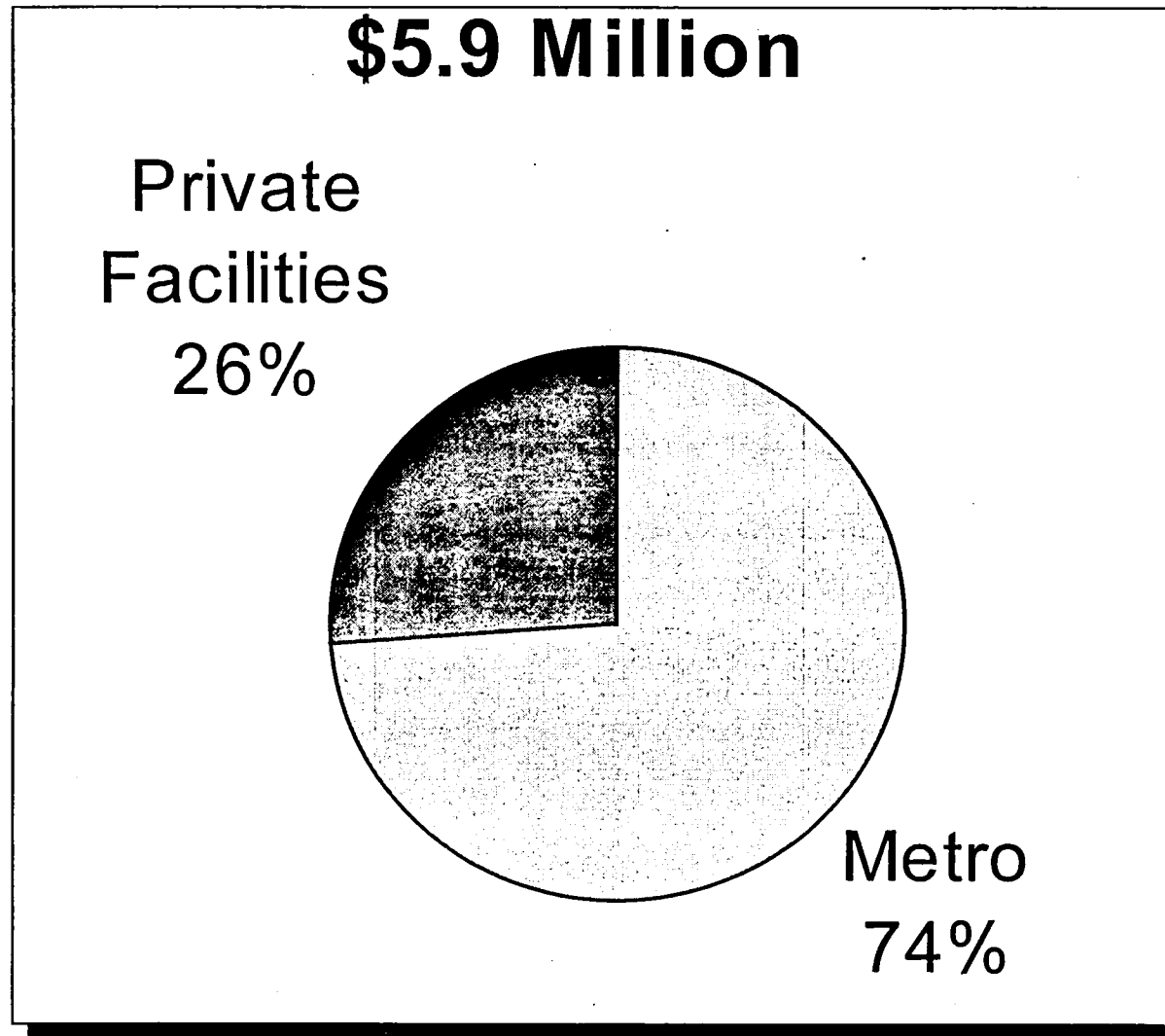


EXCISE TAX FROM SOLID WASTE

- 8.5% on gross revenues at system facilities
- Recycling incentive at recovery facilities:
8.5% on tons disposed (not received)
- Equivalent FY99-00 per ton excise tax rates

Metro transfer stations	\$4.76
Forest Grove transfer station	\$4.76
Landfills	\$3.89
Recovery facilities	\$2.72
Direct haul facilities (3)	\$4.76

SOLID WASTE EXCISE TAX FY 99-00



5-YEAR RATE PROJECTIONS

Projections based on:

- Contract Savings
 - STS (Change Order #24)
 - WMI (Change Order #8)
- Existing Cost Increases
- Contingency and Reserve Accounts

FY 00-01 Net Contract Cost Reductions CO #24 (STS) & CO #8 (WMI)

Contract Cost Reductions (Millions)

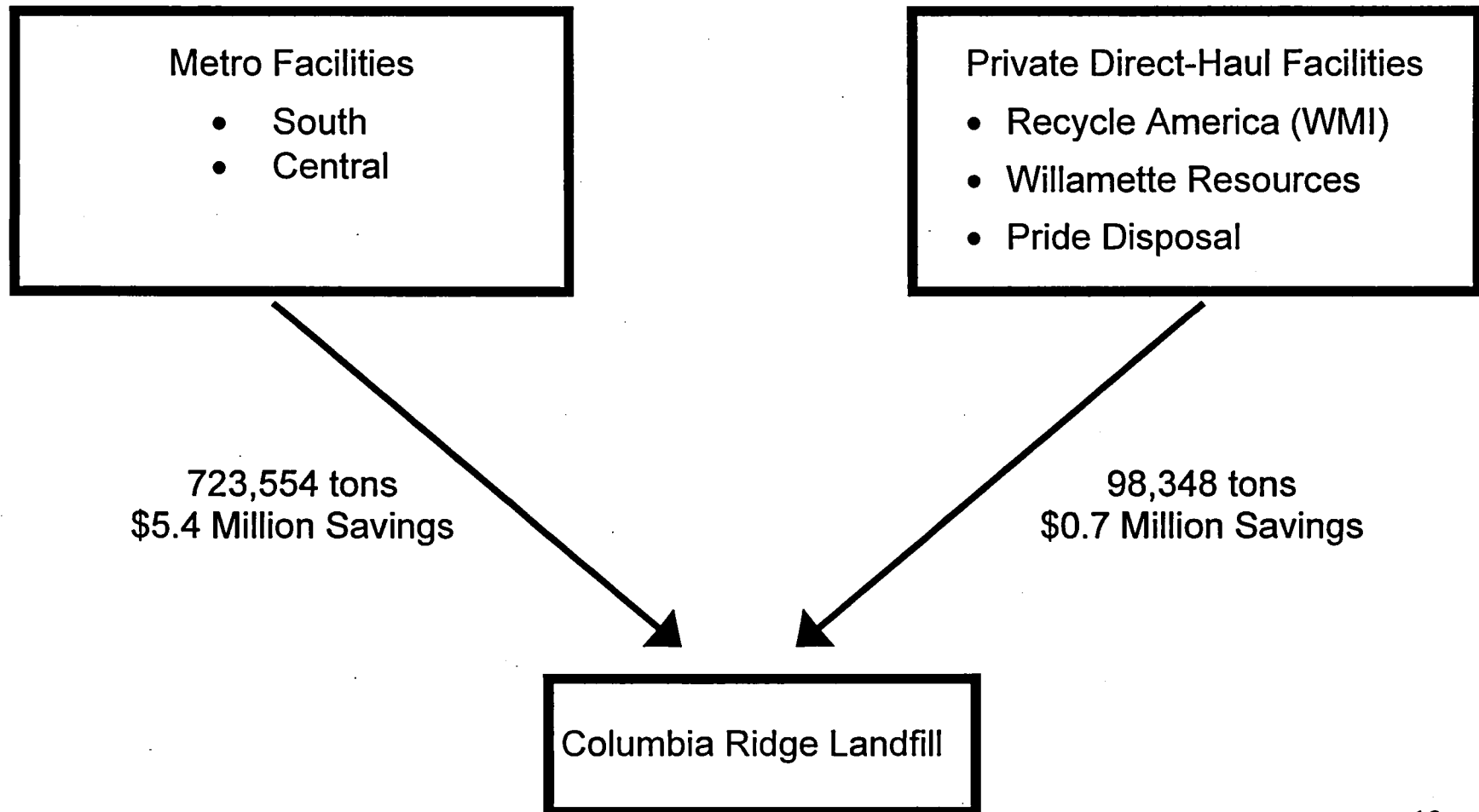
Transportation (STS)	\$1.66
Disposal (WMI)	<u>\$5.02</u>
	\$6.68

Adjustments

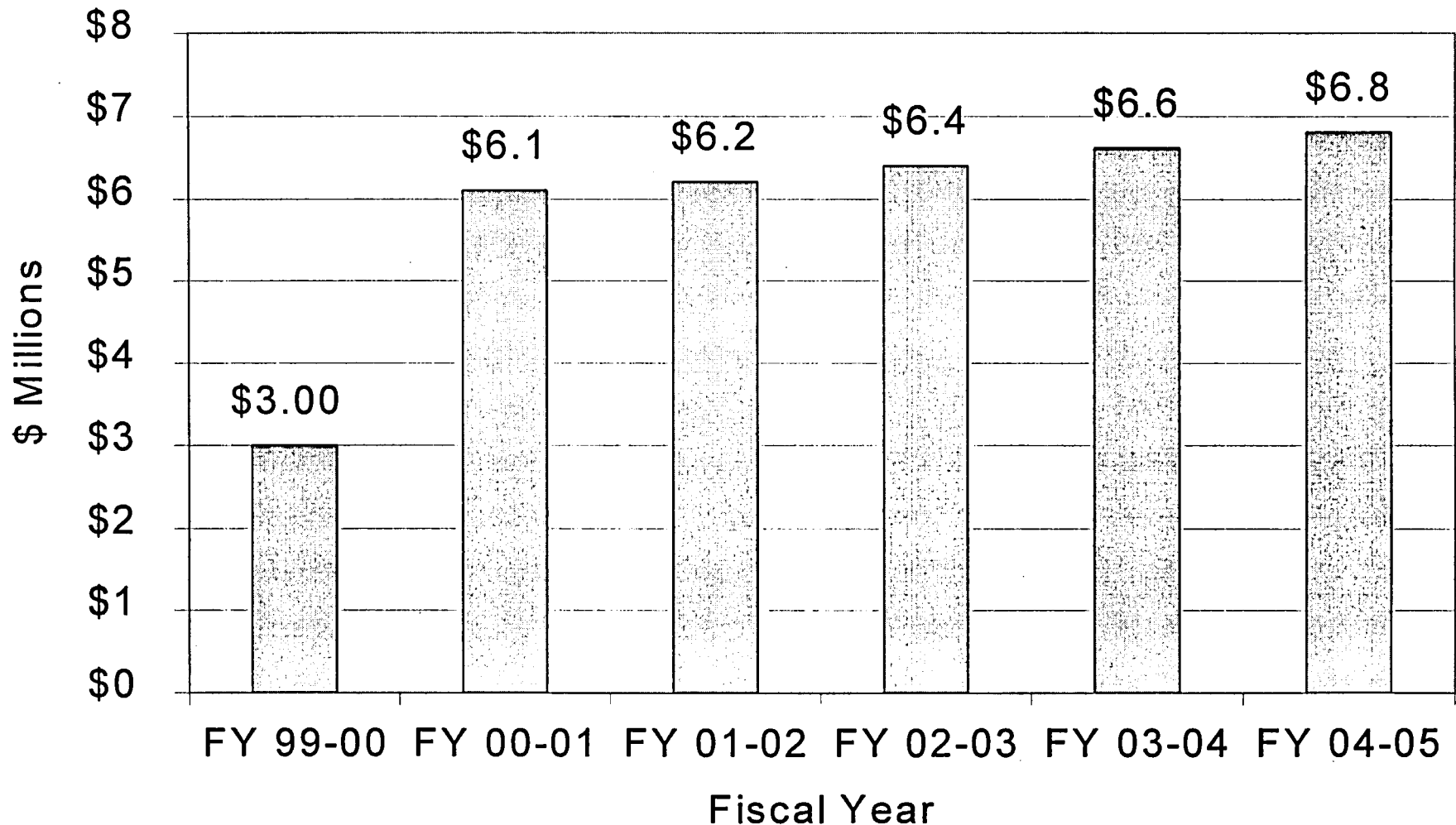
Less interest (CO #24)	\$0.27
No Forest Grove Differential Fee	<u>\$0.30</u>
	\$0.57

<u>Net Reductions</u>	\$6.11 Million
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FY 00-01 Metro/WMI Disposal Contract



Future Reductions in Contract Payments: CO #24 (STS) and CO #8 (WMI)



5-YEAR RATE PROJECTIONS

Existing Annual Cost Increases

- Major contract obligations

BFI	100% of CPI	\$150,000
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STS	75% of CPI	\$180,000
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WMI	70% of CPI	\$250,000
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- Personnel Costs

Per Labor Contract	\$170,000
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- Material & Services,
Including Transfers & Inflation

CPI Adjustment	\$350,000
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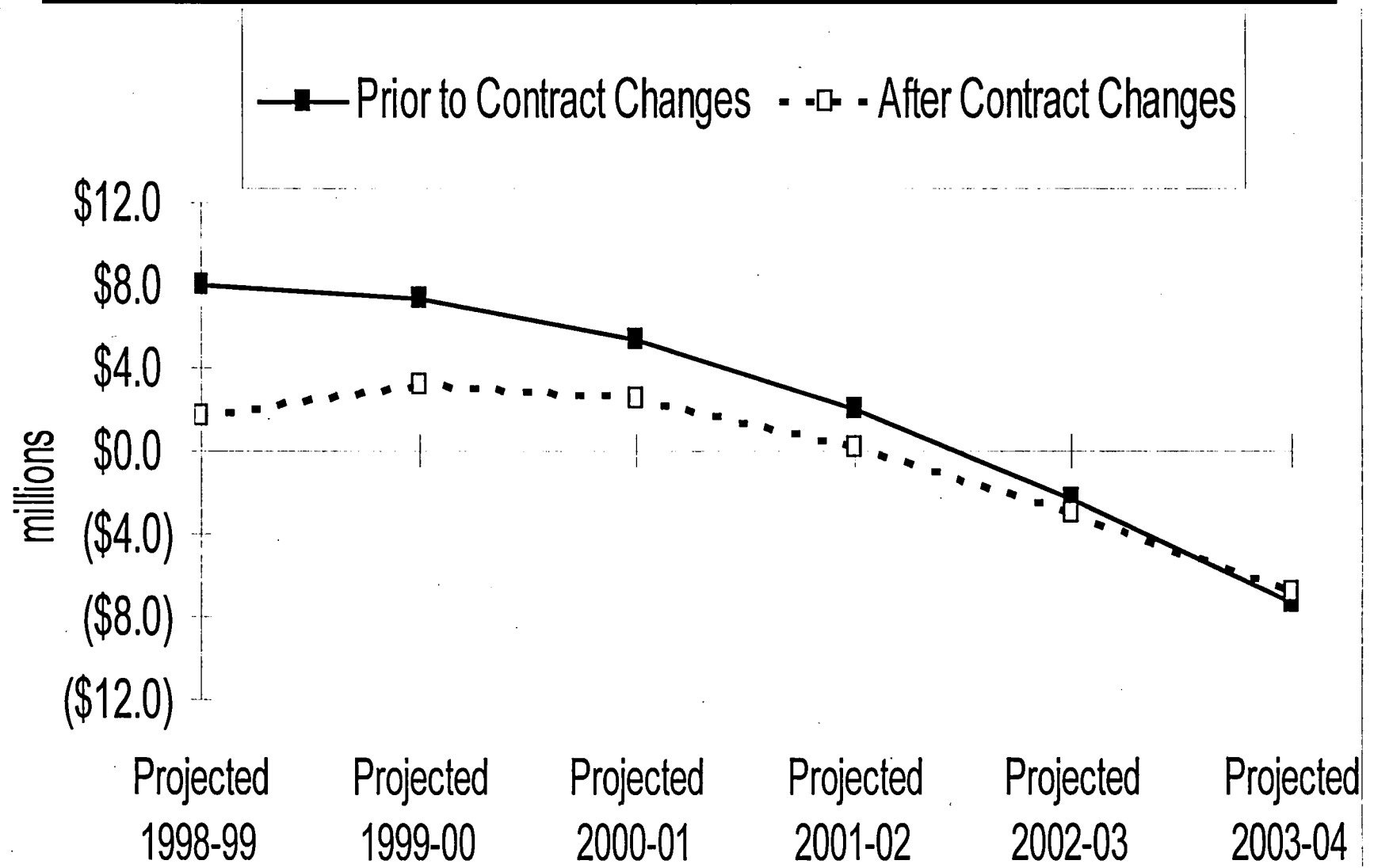
- TOTAL ANNUAL COST INCREASE:

\$1,100,000 (2.3%) on \$47 million operating budget

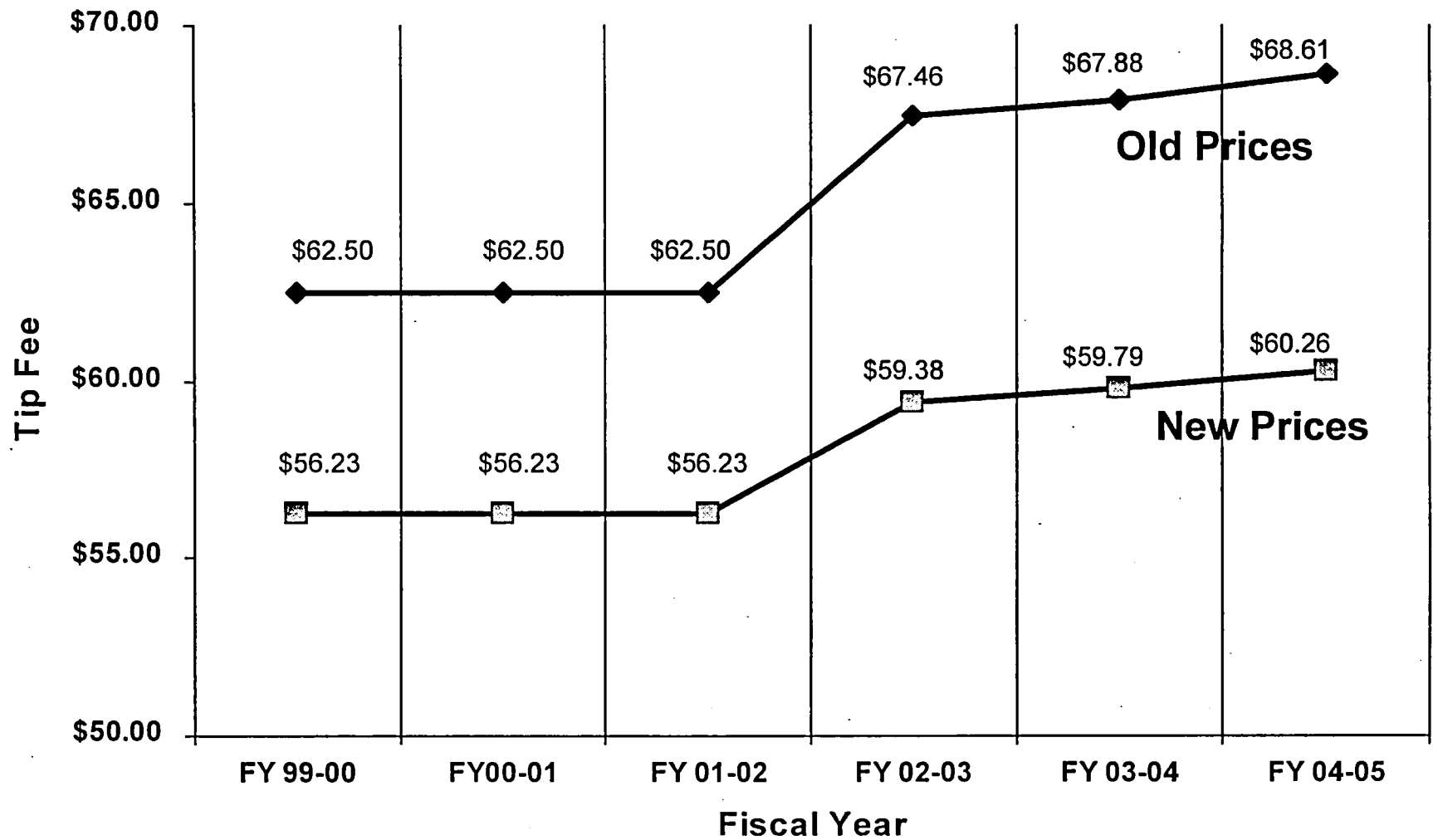
SOLID WASTE CONTINGENCY AND RESERVE ACCOUNTS

<u>ACCOUNT</u>	<u>PURPOSE</u>	<u>FY00-01 (millions)</u>
• Operating	Cost Fluctuations	\$2.1
• Renewal & Replacement	Existing Assets	\$4.4
• Capital Reserve	New Assets (per CIP)	\$2.5
• St. Johns	Closure Costs	\$6.3
• Debt Service	Bond Requirements	\$5.2
• Working Capital	Cash Flow	\$5.9
• Rate Stabilization	Next Recession	\$2.8
• Recycling Business	Recycling Grants	\$0.2
• Undesignated		\$2.5
TOTAL		\$31.9

Undesignated Fund Balance Offset to Revenue Requirements



Metro Tip Fee With Old & New Prices



Available Difference: \$ 2.6 Million

\$ 5.2 Million

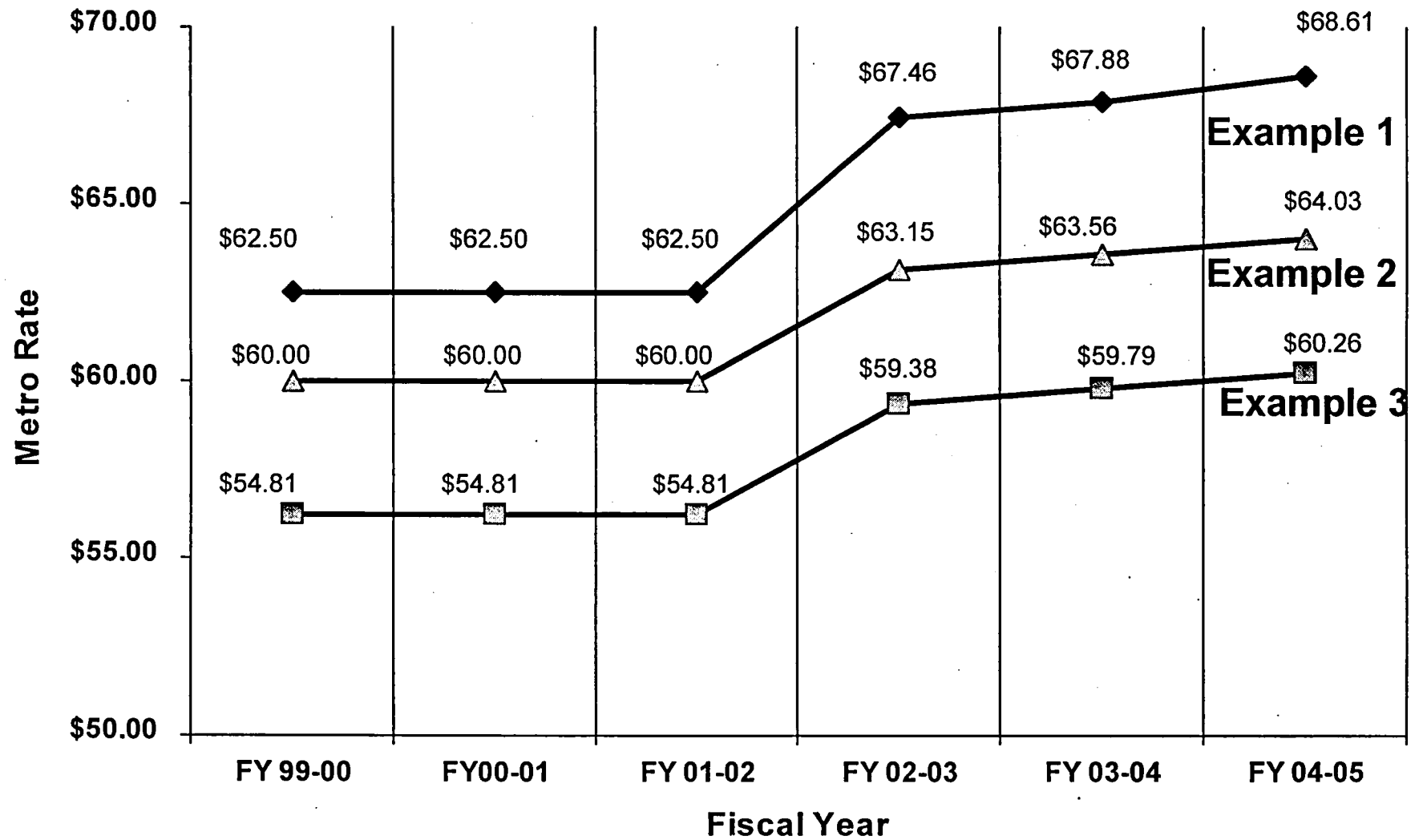
\$ 5.2 Million

\$ 6.4 Million

\$ 6.6 Million

\$ 6.8 Million

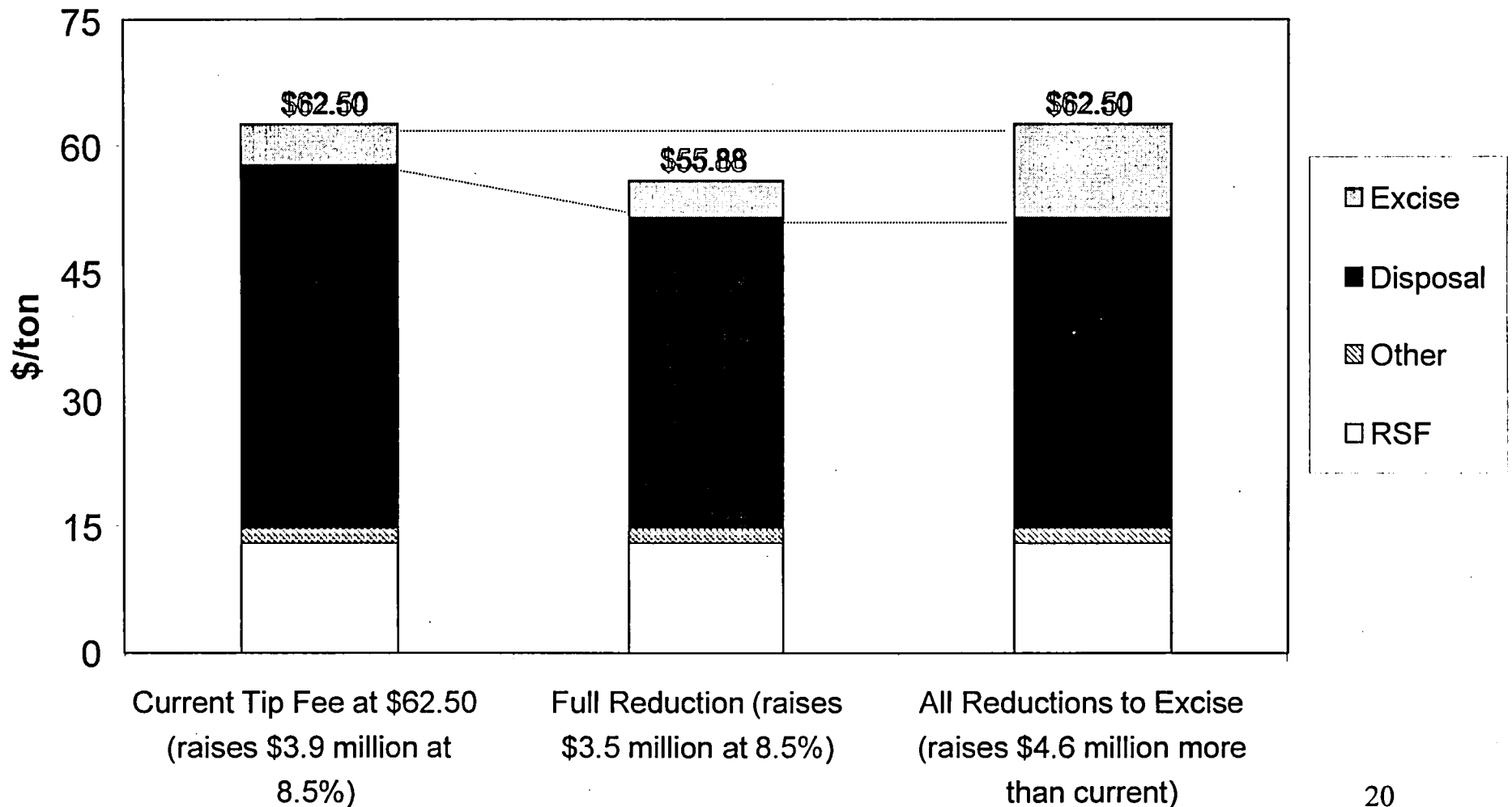
Examples of Metro Rate



**Available
Difference:**

1. \$2.6 Million	\$ 5.2 Million	\$ 5.2 Million	\$ 6.4 Million	\$ 6.6 Million	\$ 6.8 Million
2. \$ 1.58 Million	\$ 3.16 Million	\$ 3.16 Million	\$ 3.89 Million	\$ 4.01 Million	\$ 4.13 Million
3. \$0	\$0	\$0	\$0	\$0	\$0

Converting Contract Savings to Excise Tax Metro Transfer Stations



WIDE RANGE OF POLICY OPTIONS

Metro General Fund Overview

Current General Fund Condition

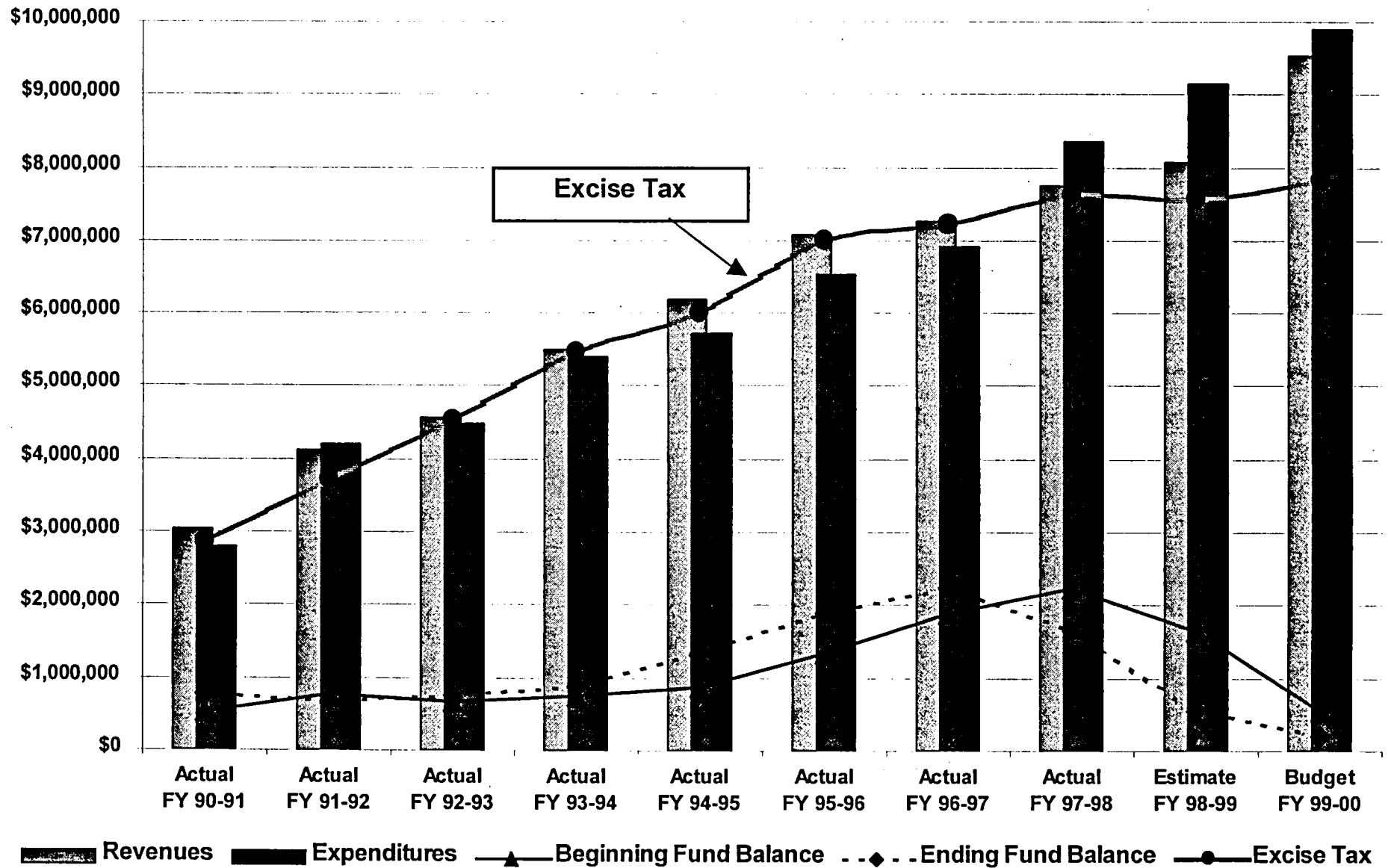
➡ General Fund Spending

➡ Use of Fund Balance

➡ Future Spending Reductions

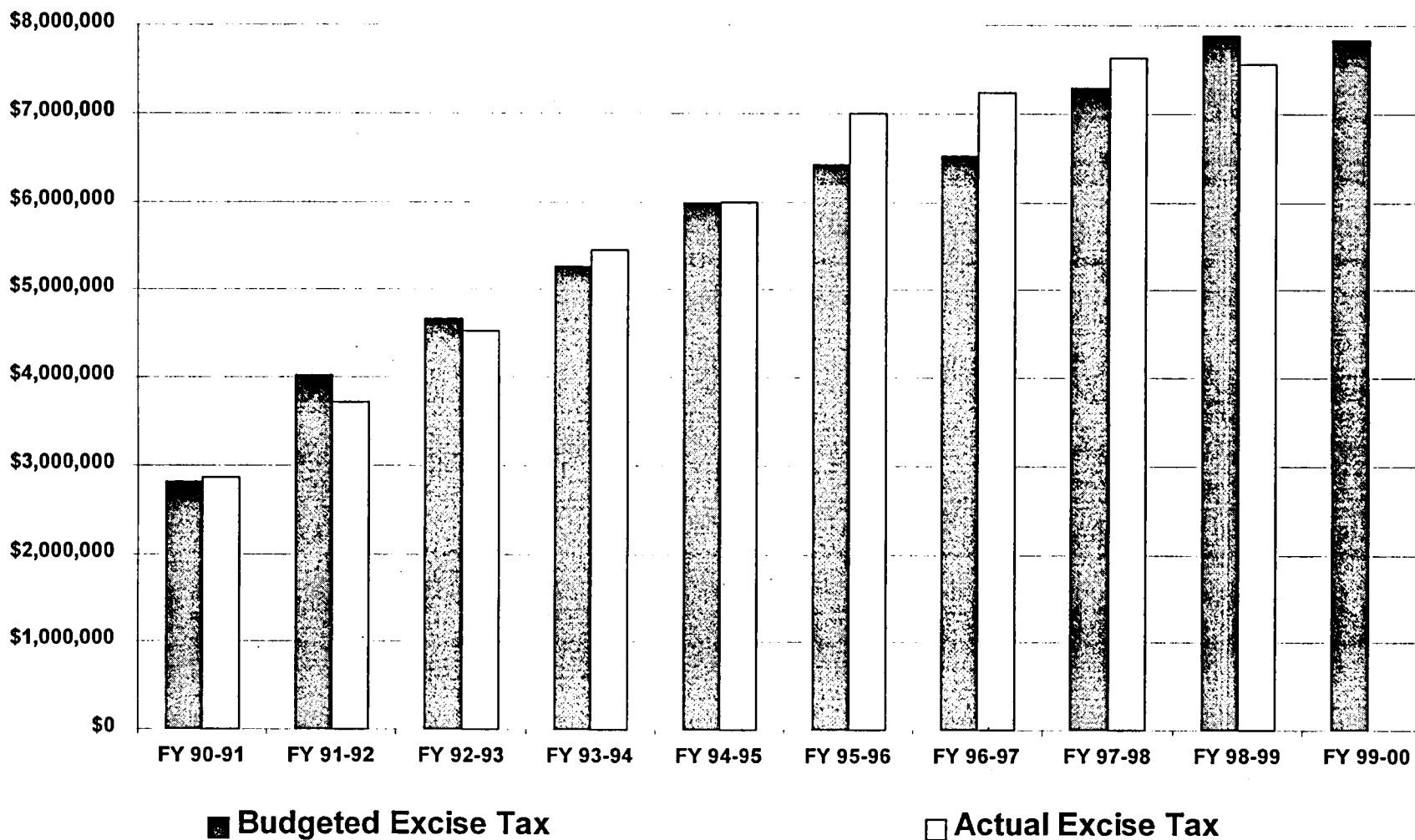
Current General Fund Condition

FY 1990-91 through FY 1999-00



Ten Year Excise Tax History

Budget to Actual Comparison

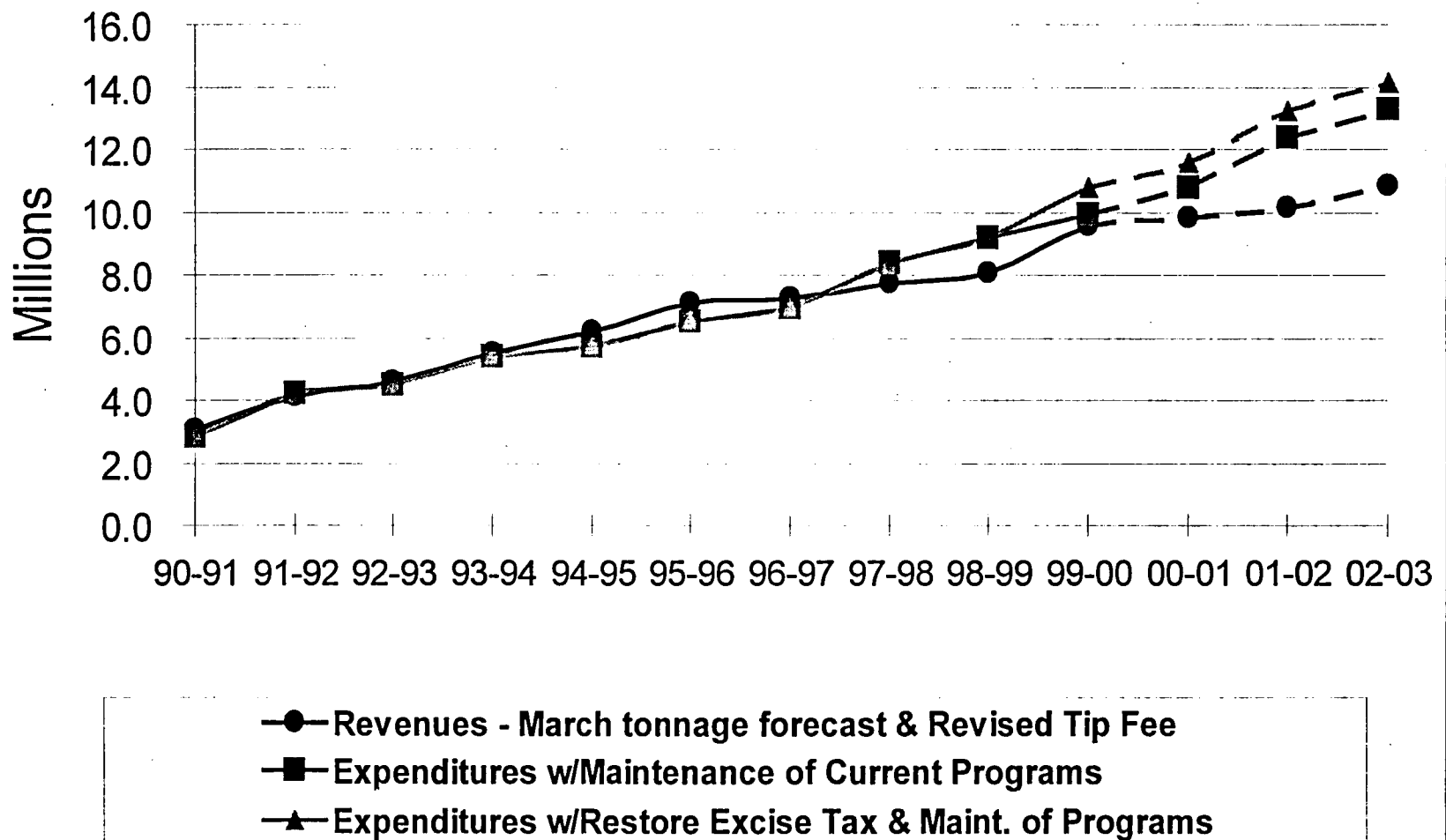


Future Outlook - General Fund

Assumptions:

- ◆ Current Programs Continued
- ◆ Costs and Revenues Adjusted

General Fund Revenues and Expenditures Including Projections



Excise Tax . . . Charter cap on expenditures

Voter Approved tax spending limit:

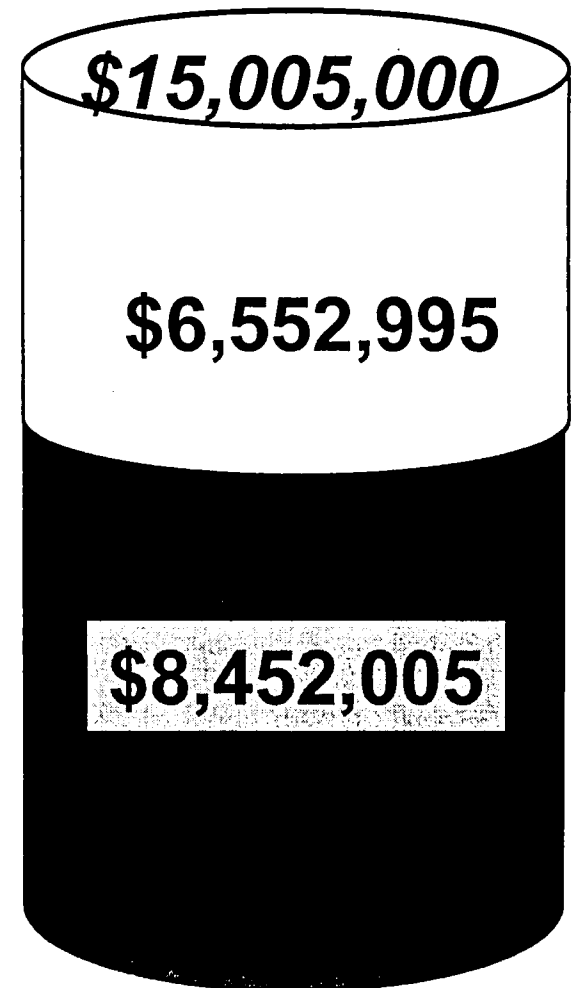
FY 1999-00 limit \$15,005,000

Less: current expenditures under

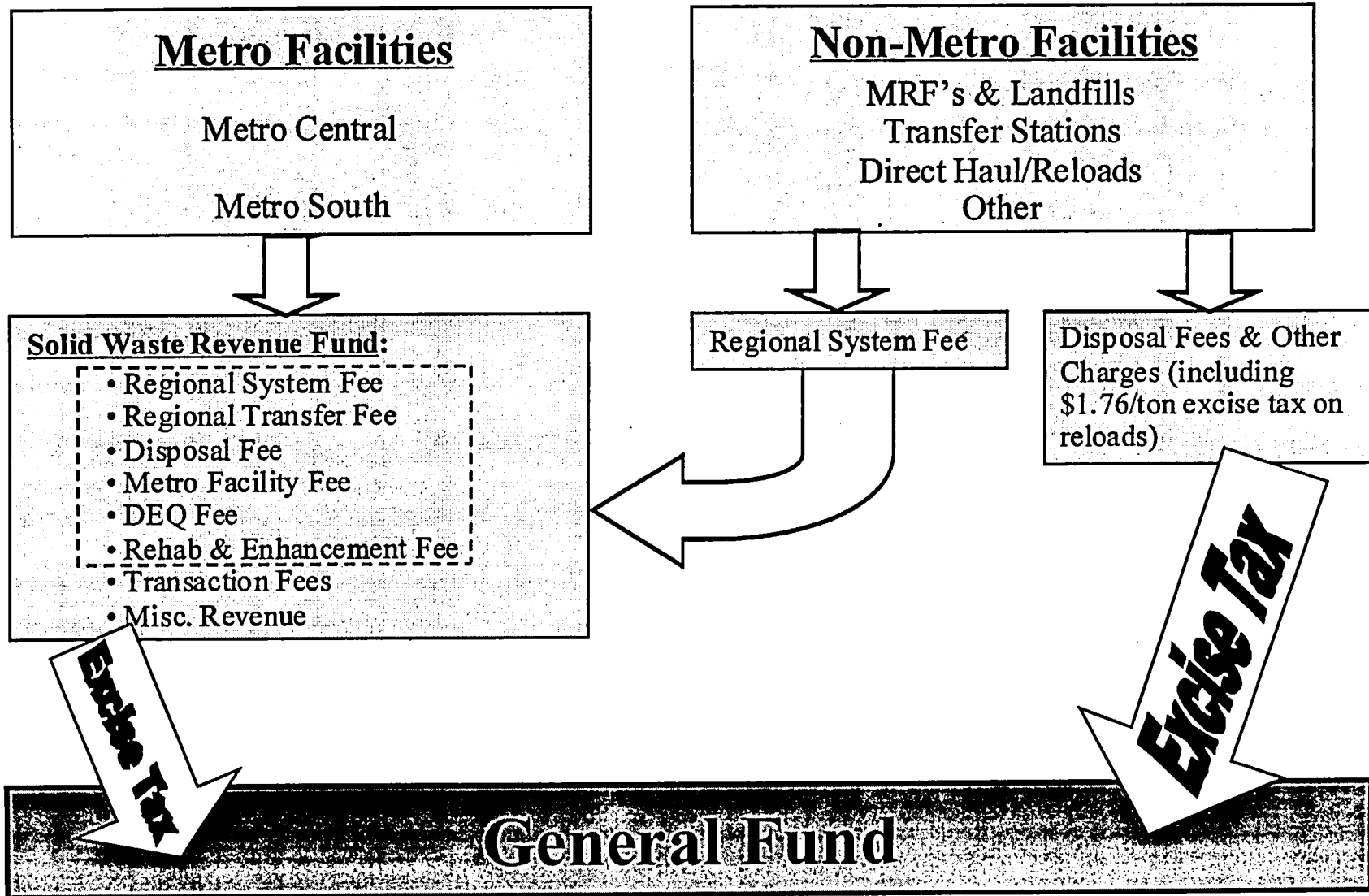
Charter limitation (8,452,005)

Remaining
Capacity

\$ 6,552,995



Solid Waste Excise Tax Flow Chart



 = components of Tip Fee

COMPONENTS OF METRO TIP FEE

	FY99-00	FY00-01
Transport & Disposal	\$35.59	\$29.24
Transfer Operations	\$6.45	\$6.58
Regional System Fee	\$12.90	\$12.90
Metro SW Fee	\$1.06	\$0.75
DEQ/Enhancement Fees	\$1.74	\$1.74
SUBTOTAL SOLID WASTE	\$57.74	\$51.21
EXCISE TAX PER TON	\$4.76	\$5.02 to \$11.29
TOTAL FEE	\$62.50	\$56.23 to \$62.50

OPTIONS TO CAPTURE AVAILABLE REVENUE

	BEFORE CHANGE ORDERS	AFTER CHANGE ORDERS		
	Current Tax (Per Ton)	Uniform Tax (Per Ton)	Differential ⁽¹⁾ Tax (Per Ton)	Differential ⁽²⁾ Tax (Per Ton)
Metro Transfer Stations	\$4.76	\$9.18	\$10.10	\$11.29
Private Transfer Stations	\$4.76	\$9.18	\$10.10	\$11.29
Private Material Recovery Facilities	\$2.72	\$9.18	\$5.44	\$2.72
Private Landfills	\$3.89	\$9.18	\$7.82	\$3.89
NEW TAX	0	\$5.2 million	\$5.2 million	\$5.2 million
TOTAL TAX	\$5.9 million	\$11.1 million	\$11.1 million	\$11.1 million

Differential tax #1 based on current percent contributions

Differential tax #2 based on no additional tax for private material recovery or private landfills

Excise Tax . . . Rate History

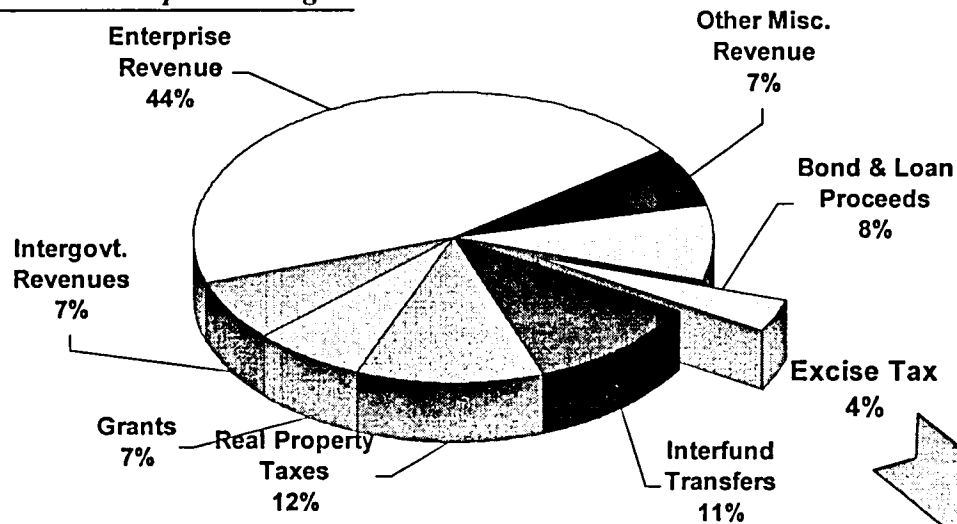
90-91	91-92	92-93	93-94	94-95
5%	5.25%	6%	7%	7%* / 7.5%
\$2,867,095	\$3,718,754	\$4,527,103	\$5,451,649	\$5,999,125

95-96	96-97	97-98	98-99	99-00
7.5%	7.5%* / 7.25%	7.5% / 8.5%	7.5% / 8.5%	7.5% / 8.5%
\$6,996,251	\$7,228,573	\$7,621,699	\$7,877,226	\$7,834,528

* Mid Year Rate Change

Current Revenues – Excise tax portion

FY 99-00 Adopted Budget



Excise Tax Portion

