

**A G E N D A**

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1542 | FAX 503 797 1793



**METRO**

**Agenda**

MEETING: METRO COUNCIL/EXECUTIVE OFFICER INFORMAL MEETING  
DATE: October 26, 1999  
DAY: Tuesday  
TIME: 2:00 PM  
PLACE: Council Annex

**CALL TO ORDER AND ROLL CALL**

**I. UPCOMING METRO LEGISLATION**

- A. Ordinance No. 99-823, 824, 825 (REM Ordinances)
- B. UGB Time Extensions

**II. MERC UPDATE**

**III. EXECUTIVE OFFICER COMMUNICATIONS**

**IV. COUNCILOR COMMUNICATIONS**

**ADJOURN**

*Agenda Item Number 9.1*

**Ordinance No. 99-825A, For the Purpose of Amending Metro Code Section 5.02.025 to Modify the Disposal Charge at the Metro South and Metro Central Transfer Stations.**

***Second Reading***

**Metro Council Meeting  
Thursday, October 28, 1999  
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE )      ORDINANCE NO. 99-825A |  
SECTION 5.02.025 TO MODIFY THE DISPOSAL )  
CHARGE AT THE METRO SOUTH AND METRO )      Introduced by  
CENTRAL TRANSFER STATIONS )      Councilor Bragdon

WHEREAS, it is desirable to review the disposal fees and other fee components charged at Metro's regional solid waste facilities in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust the Tonnage Charge of Metro's disposal rate system to take advantage of the savings resulting from these solid waste contract amendments; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed the disposal fees and other fee components for the Metro Central and Metro South Transfer Stations; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.025 is amended to read:

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of a Tonnage Charge of ~~\$62.50~~ ~~\$62.00~~ \$62.50 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of ~~\$38.61~~ ~~\$30.02~~ \$29.75 per ton;
- (2) A regional transfer charge of ~~\$7.00~~ \$6.56 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, there shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5 per Transaction.

(d) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(e) The Director of the Regional Environmental Management Department may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

~~(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.~~

<del>METRO SOUTH STATION</del>	
<del>METRO CENTRAL STATION</del>	
<del>Tonnage Charge Component</del>	<del>\$/Ton Rate</del>
<del>Disposal Charge</del>	<del>38.61</del>
<del>Regional System Fee</del>	<del>14.00</del>
<del>Metro Facility Fee</del>	<del>1.15</del>
<del>Regional Transfer Charge</del>	<del>7.00</del>
<del>Metro Tonnage Charges</del>	<del>\$60.76</del>
<del>Additional Fees</del>	
<del>Enhancement Fee</del>	<del>0.50</del>
<del>DEQ Fees</del>	<del>1.24</del>
<del>Total Tonnage Charges:</del>	<del>\$62.50</del>
	<del>\$/Transaction</del>
<del>Per-Transaction Charge</del>	<del>\$5.00</del>
<del>Minimum Tonnage Charge</del>	<del>\$10.00</del>

SECTION 2

The amendments to the Metro Code provided for in this Ordinance shall take effect on February 1, 2000.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

---

Recording Secretary

---

Daniel B. Cooper, General Counsel

MDF:jep  
ord99-825.rdl.doc

*Agenda Item Number 9.2*

**Ordinance No. 99-824A, For the Purpose of Amending Metro Code Chapter 7.01 to Modify and Adjust  
Excise Taxes and Making Other Related Amendments.**

***Second Reading***

**Metro Council Meeting  
Thursday, October 28, 1999  
Council Chamber**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO ) ORDINANCE NO. 99-824A  
CODE CHAPTER 7.01 TO MODIFY AND ADJUST )  
METRO EXCISE TAXES AND MAKING OTHER ) Introduced by  
RELATED AMENDMENTS ) Councilor Bragdon

WHEREAS, it is desirable to review the excise tax imposed use of the facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by Metro; and

WHEREAS, it is necessary to adjust the excise taxes imposed by Metro Chapter 7.01 to take advantage for the public interest of the savings resulting from certain recent amendments to significant Metro solid waste contracts; and

WHEREAS, this ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.01.010 is amended to read:

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Accrual basis accounting" means revenues are recorded in the accounting period in which they are earned and become measurable whether received or not.

(b) "Cash basis accounting" means revenues are recorded when cash is received.

(c) "District facility" means any facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district. District facility includes but is not limited to all services provided for compensation by employees, officers or agents of Metro, including but not limited to the Metro Washington Park Zoo, Metro ERC facilities, all solid waste system facilities, and any other facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district.

(d) "Facility Retrieval Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(i).

~~(d)~~(e) "Installment payments" means the payment of any amount that is less than the full payment owed either by any user to the district or to an operator or by an operator to the district.

~~(e)~~(f) "Metro ERC facility" means any facility operated or managed by the Metropolitan Exposition-Recreation Commission.

~~(f)~~(g) "Operator" means a person other than the district who receives compensation from any source arising out of the use of a district facility. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this chapter by either the principal or managing agent shall be considered to be compliance by both.

~~(g)~~(h) "Person" means any individual, firm, partnership, joint venture, association, governmental body, joint stock company, corporation, estate, trust, syndicate, or any other group or combination acting as a unit.

~~(h)~~(i) "Payment" means the consideration charged, whether or not received by the district or an operator, for the use of a district facility, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

~~(i)~~(j) "Processing Residual shall have the meaning assigned thereto in Metro Code Section 5.02.015(s).

~~(j)~~(k) "Recovery Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(u).

~~(k)~~(l) "Solid waste system facility" means all facilities defined as such pursuant to section 5.05.010(t) including but not limited to all designated facilities set forth in section 5.05.030 and any non-system facility as defined in section 5.05.010(i) that receives solid waste from within the Metro boundary whether pursuant to an authorized non-system license or otherwise.

~~(l)~~(m) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

~~(m)~~(n) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting.

~~(n)~~(o) "Tax" means the tax imposed in the amount established in subsection 7.01.020, and includes both the tax payable by a user and the aggregate amount of taxes due from an operator during the period for which he/she is required to report and pay the tax.

~~(o)~~(p) "User" means any person who pays compensation for the use of a district facility or receives a product or service from a district facility subject to the payment of compensation

SECTION 2. Metro Code Section 7.01.020 is amended to read:

7.01.020 Tax Imposed

~~(a) For the privilege of the use of the facilities, equipment, systems, functions, services, or improvements owned, operated, certified, licensed, franchised, or provided by the district, each user shall pay a tax of 7.5 percent of the payment charged by the operator or the district for such use unless a lower rate has been established as provided in subsection 7.01.020(b). Each user of all solid waste system facilities shall pay an additional tax of 1.0 percent of the payment charged by the operator or the district. The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.~~

~~(b) The council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) by so providing in an ordinance adopted by the district. If the council so establishes a lower rate of tax, the executive officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the council as provided for herein.~~

~~(c) In lieu of taxes imposed under (a) of this section, for the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each user of all solid waste system facilities shall pay a tax of \$8.23 for each ton of solid waste exclusive of source separated recyclable materials accepted at the solid waste system facilities.~~

~~(d) The following users of solid waste system facilities shall be allowed a credit in the amount of \$4.40 per ton against the Excise Tax otherwise due under Section 7.01.020(c):~~

~~(1) Any person delivering authorized, non-putrescible waste to any landfill that is authorized to receive such waste through a Metro franchise or Designated Facility Agreement; or~~

~~(2) Any Person delivering authorized, non-putrescible waste under the authority of a Metro Non System License.~~

~~(e) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(c) or (d)~~

for disposal of Processing Residuals, from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

Excise Tax Credit Schedule

<u>Recovery Rate</u>		<u>Excise Tax Credit per ton of no more than</u>
<u>From Above</u>	<u>Up To &amp; Including</u>	
<u>0%</u>	<u>20%</u>	<u>0.00</u>
<u>20%</u>	<u>25%</u>	<u>0.15</u>
<u>25%</u>	<u>30%</u>	<u>0.50</u>
<u>30%</u>	<u>35%</u>	<u>1.00</u>
<u>35%</u>	<u>40%</u>	<u>1.25</u>
<u>40%</u>	<u>100%</u>	<u>1.50</u>

~~(c)(f) In lieu of taxes imposed under (a) and (c) of this section and notwithstanding section 7.01.050(a)(6), operators of solid waste facilities licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contract operator for disposal of putrescible waste shall pay a tax in the amount of \$1.76 \$8.23 per ton of putrescible waste delivered directly to the district's contract operator for disposal of putrescible waste.~~

SECTION 2. Metro Code Section 7.01.020 is amended to read:

7.01.020 Tax Imposed

(a) For the privilege of the use of the facilities, equipment, systems, functions, services, or improvements owned, operated, certified, licensed, franchised, or provided by the district, each user shall pay a tax of 7.5 percent of the payment charged by the operator or the district for such use unless a lower rate has been established as provided in subsection 7.01.020(b). Each user of all solid waste system facilities shall pay an additional tax of 1.0 percent of the payment charged by the operator or the district. The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) by so providing in an ordinance adopted by the district. If the council so establishes a lower rate of tax, the executive officer shall immediately notify all

operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the council as provided for herein.

(c) In lieu of taxes imposed under (a) of this section, for the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each user of all solid waste system facilities shall pay a tax of ~~\$8.23~~\$9.00 for each ton of solid waste exclusive of source separated recyclable materials accepted at the solid waste system facilities.

(d) The following users of solid waste system facilities shall be allowed a credit in the amount of ~~\$4.40~~\$5.17 per ton against the Excise Tax otherwise due under Section 7.01.020(c):

- (1) Any person delivering authorized, non-putrescible waste to any landfill that is authorized to receive such waste through a Metro franchise or Designated Facility Agreement; or
- (2) Any person delivering authorized, non-putrescible waste under the authority of a Metro Non System License.

(e) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(c) or (d) for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

Excise Tax Credit Schedule

<u>Recovery Rate</u>		<u>Excise Tax Credit per ton of no more than</u>
<u>From Above</u>	<u>Up To &amp; Including</u>	
<u>0%</u>	<u>20%</u>	<u>0.00</u>
<u>20%</u>	<u>25%</u>	<u>0.15</u>
<u>25%</u>	<u>30%</u>	<u>0.50</u>
<u>30%</u>	<u>35%</u>	<u>1.00</u>
<u>35%</u>	<u>40%</u>	<u>1.25</u>
<u>40%</u>	<u>100%</u>	<u>1.50</u>

(f) In lieu of taxes imposed under (a) and (c) of this section and notwithstanding section 7.01.050(a)(6), operators of solid waste facilities licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contract operator for disposal of putrescible waste shall pay a tax in the amount of ~~\$1.76~~\$9.00 per ton of putrescible waste delivered directly to the district's contract operator for disposal of putrescible waste."

SECTION 3. Alternative Interim Excise Tax for Qualifying Facilities

(a) For the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each Qualifying Facility as defined in this Section shall pay a tax of 8.5 percent of the payments charged by the operator or the district for the use of all solid waste system facilities, together with any tax due under Metro Code Section 5.02.045, during any month in which the provisions of this Section are effective. Such taxes shall be in lieu of the taxes imposed under Section 2 of this Ordinance.

(b) For the purpose of this section, a Qualifying Facility shall mean a solid waste system facility which obtains a negative Net Revenue Impact as calculated under this Section during any month in which the provisions of this section are effective.

(c) Net Revenue Impact shall be calculated by adding:

(i) The total amount of any charges exclusive of any excise tax that would have been due under Metro Code Section 5.02.030 prior to February 1, 2000 from the solid waste system facility, less the total amount of charges, if any, that would be due from such facility as of February 1, 2000, in the event that Section 1 of Metro Ordinance No. 99-823 is adopted;

To the sum of

(ii) The total amount of excise tax that the solid waste system facility would have been due under both Metro Code Section 5.02.045 and 7.01.020 prior to February 1, 2000, less the total amount of excise tax that would be due on such tonnage in the event that Section 2 of this Ordinance is adopted.

(d) If the result of the calculation set forth in subsection (c) is a negative number, the solid waste system facility shall be deemed a Qualifying Facility and shall be entitled to pay a tax of 8.5 percent of the payment charged by the operator for the use of such facility. If result of the calculation set forth in subsection (c) is a positive number, the solid waste system facility shall pay the tax set forth in Section 2 of this Ordinance.

(e) The provisions of this Section are repealed June 30, 2000.

SECTION 34. Section 5 of this Ordinance is added to and made a part of Metro Code Chapter 7.01.

SECTION 45. Commencing with the Metro fiscal year beginning July 1, 2002, and each year thereafter, the taxes imposed by Section 7.01.020(c) shall be increased by a percentage equal to

(a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Vancouver (All Urban Consumers) reported for the first six months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued.

SECTION 6. Section 7 is added to and made a part of Metro Code 7.01.050(a)

SECTION 7. Users disposing of solid waste that has been generated outside the district and is disposed at any privately owned facility franchised under Metro 5.01.045(c)(1), provided that the tonnage amount of out of district solid waste disposed each month at such facility does not exceed 10% of the total amount of solid waste disposed each month at the facility. Any tonnage amount of out of district solid waste which exceeds 10% of the total amount of solid waste disposed each month at such facility shall be subject to the provisions of Metro Code 7.01.020

SECTION 8. The amendments to the Metro Code provided for in this Ordinance shall take effect on February 1, 2000.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

MDF:jep ord99-824.rdl.doc

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

*Agenda Item Number 9.3*

**Ordinance No. 99-823A, For the Purpose of Amending Metro Code Chapter 5.02 to Modify Changes for Direct Haul Disposal, to Modify Metro System Fees, to Create Additional Regional System Fee Credits, and Making Other Related Amendments.**

***Second Reading***

Metro Council Meeting  
Thursday, October 28, 1999  
Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE )      ORDINANCE NO. 99-823A |  
CHAPTER 5.02 TO MODIFY CHARGES FOR DIRECT )  
HAUL DISPOSAL, TO MODIFY METRO SYSTEM )      Introduced by Mike Burton  
FEES, TO CREATE ADDITIONAL REGIONAL )      Executive Officer  
SYSTEM FEE CREDITS AND MAKING OTHER )  
RELATED AMENDMENTS )

WHEREAS, it is desirable to review certain disposal fees and system fees in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust such fees to take advantage of the savings resulting from these solid waste contract amendments and to implement new solid waste programs that are in the public interest; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed such disposal fees and system fees; and

WHEREAS, it is appropriate to make certain related modifications to existing portions of Chapter 5.02 of the Metro Code; and

WHEREAS, the ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Chapter 5.02.030 is amended to read:

Each facility licensed or franchised under Metro Code Chapter 5.01 and authorized to transport solid waste directly to the Columbia Ridge Landfill shall pay to Metro a charge of ~~\$24.93~~ \$16.78 per ton of solid waste which is generated or originates within the Metro boundary and which the facility directly transports to the Columbia Ridge Landfill

SECTION 2. Metro Code Section 5.02.045 is amended to read:

(a) Regional System Fee: Solid waste disposal facility operators shall collect and pay to Metro a Regional System Fee of ~~\$14.00~~ \$21.90 per ton for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code section 5.01.150.

(b) Metro Facility Fee: Metro shall collect a Metro Facility Fee of ~~\$1.15~~ \$2.55 per ton for all solid waste delivered to Metro Central Station or Metro South Station

- (c) System fees described in paragraph (a) shall not apply to:
- (1) inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at disposal facilities for cover, diking, road base, or other productive use at such solid waste disposal facilities;
  - (2) solid waste received at facilities which are licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 and which accomplish materials recovery and recycling as a primary operation; or
  - (3) solid waste received at Transfer Facilities which deliver such wastes to a Metro-owned, licensed, franchised, or designated facility where Metro fees are collected and paid to Metro.

SECTION 3. Metro Code Section 5.02.047 is amended to read:

5.02.047 Regional System Fee Credits

(a) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Regional System Fee otherwise due each month under Section 5.02.045 for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

System Fee Credit Schedule

Recovery Rate		System Fee Credit of no more than
From Above	Up To & Including	
0%	20%	0.00
20%	25%	1.00
25%	30%	3.00
30%	35%	6.46
35%	40%	8.00
40%	45%	9.82
45%	100%	12.00

(b) The Executive Officer may establish additional administrative procedures regarding the Regional System Fee Credits, including, but not limited to establishing eligibility requirements for such credits and establishing incremental System Fee Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (a) of this section.

(c) The following users of Metro solid waste system facilities shall be allowed a credit in the amount of \$9 per ton against the Regional System Fee otherwise due under Section 5.02.045(a):

(1) Users of Metro Central and Metro South Transfer Stations;

(2) Any Person delivering authorized waste:

(A) to any landfill or other solid waste facility that is authorized to receive such waste through a Metro license certificate franchise or Designated Facility Agreement; or

(B) under the authority of a Metro Non System License.

SECTION 4. The amendments to the Metro Code provided for in this Ordinance shall take effect on February 1, 2000.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

MDF:jep  
ord99-823.rdl.doc

TEL 503 731 7800 FAX 503 731 7870  
http://www.merc-facilities.org

RECEIVED

OCT 25 1999

EXECUTIVE OFFICER



arts. sports. conventions. shows.

METROPOLITAN EXPOSITION-RECREATION COMMISSION

October 25, 1999

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

Re: Joint MERC/Metro Work on Support Services Issue

Dear Mike:

I just wanted to take a moment to compliment the work that your staff has done with MERC on the support services issue.

As you know, we agreed last time to ask our staffs to work together on a comprehensive solution to providing the best possible services for our publicly owned facilities. During the last year, Metro Finance Director Jennifer Sims and MERC Director of Administration David Biedermann, under the supervision of Metro Chief Operating Officer Bruce Warner and MERC General Manager Mark Williams, have been hard at work on this task. At the MERC meeting last week, Jennifer and David briefed us on the progress they've made, and I was very optimistic about the course of their work.

I am very hopeful that Jennifer and David's work has pointed us in the right direction, and that we will reach a "win-win" solution well before the end of the year.

I just wanted to thank you for assigning Bruce and Jennifer this task, and to let you know that their efforts have not gone unappreciated.

Sincerely,

Ben Middleton  
MERC Chair

- cc: Metro Councilors
- Bruce Warner
- Mark B. Williams
- Jennifer Sims
- David Biedermann

Post-It™ brand fax transmittal memo 7671 # of pages > 10/1

To: <i>Bruce Warner</i>	From: <i>Ben Middleton</i>
Co:	Co:
Dept.:	Phone #
Fax #	Fax #



METRO

# MERC/Metro Joint Support Services Study

## Status Report: Executive Summary

In an amendment to the Metro Code adopted in February 1997, the Metro Council authorized MERC to choose their support service provider. In the FY 1999-00 service agreement between MERC and Metro, it was agreed to conduct a full study of support services with the following objectives:

- To determine the best means for delivering support services to MERC.
- To improve the working relationship between Metro and MERC.
- To ensure that Metro's minimum requirements for financial reporting and legal compliance and financial oversight were met.
- To reduce duplication of effort.
- To identify the most cost effective service delivery solution.
- To resolve an ongoing annual debate over the most effective and efficient delivery of services.

Risk Management, Employee Benefits and Investments were found to be best provided by Metro and were not further studied. This was due to one or more of the following reasons:

- Additional cost to either/both organizations if the service was split,
- Efficiency in use of special skills and marginal capacity,
- Unique requirements not likely found in other providers.

Auditor services and Legal services are separate agreements from the support services arrangement between the two organizations, and are not part of the support services review.

Except those services required to be provided by Metro, all services were evaluated against three alternative delivery options. Service options considered were 1) Metro provides the service, 2) MERC provides the service, and 3) Service is provided by a contractor. Variations on the MERC and Metro provider options emerged in the course of the study. These include establishing a separate setup for MERC under Metro's financial system and Metro providing a broader range of services.

Services evaluated for all three options are:

- Accounting
- Computer Support
- Human Resources
- Purchasing
- Financial Planning
- Construction Management

Criteria for evaluation were knowledge of public sector institutions, institutional history, historical costs (ongoing annual, start up, fixed costs) customer service, employee impact, management capability, ease of implementation, the effect of timing of a change, and net benefit to regional citizens.

A Request for Information was sent to a wide variety of contractor providers and software vendors to collect costs for the options. We are now evaluating both the Metro and MERC staffing patterns and business processes to determine net changes and efficiencies in those options. Services alternatives costs are being calculated to give that comparison of the alternatives.

While not dismissed entirely, the preliminary information indicates that a large-scale out-sourcing option is not viable due to costs and implementation difficulties.

We are now evaluating both the Metro and MERC staffing patterns and business processes to determine net changes and efficiencies in those options. The costs of various alternatives are being calculated to give that comparison of the alternatives.

This phase of the project study requires discussion of a number of complex processes and approaches used by both Metro and MERC. To fully understand the detail and complexities of these requires significant staff time to complete. Nonetheless, specific blocks of time are dedicated on a weekly basis to complete this work, and we consider it a priority in our work plans.

A final report will be presented to the MERC Commission and the Metro Operations Committee next month.

**Comparison of Charter Tax Cap and Excise Tax Growth Rates**

Fiscal Year	Charter Tax Cap Growth	Excise Tax Expenditure Growth					Fiscal Year	Charter Tax Cap Growth	Excise Tax Expenditure Growth						
		2%	4%	5%	6%	7%			12%	3.0%	4%	5%	6%	7%	12%
		ACTUAL							ACTUAL						
00-01	\$15,305,100	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	00-01	\$15,305,100	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	
01-02	\$15,611,202	\$11,891,909	\$12,006,254	\$12,120,600	\$12,234,945	\$12,806,671	01-02	\$15,764,253	\$11,891,909	\$12,006,254	\$12,120,600	\$12,234,945	\$12,806,671	\$12,806,671	
02-03	\$15,923,426	\$12,367,585	\$12,606,567	\$12,847,836	\$13,091,391	\$14,343,472	02-03	\$16,237,181	\$12,367,585	\$12,606,567	\$12,847,836	\$13,091,391	\$14,343,472	\$14,343,472	
03-04	\$16,241,895	\$12,862,289	\$13,236,895	\$13,618,706	\$14,007,788	\$16,064,689	03-04	\$16,724,296	\$12,862,289	\$13,236,895	\$13,618,706	\$14,007,788	\$16,064,689	\$16,064,689	
04-05	\$16,566,732	\$13,376,780	\$13,898,740	\$14,435,828	\$14,988,334	\$17,992,451	04-05	\$17,226,025	\$13,376,780	\$13,898,740	\$14,435,828	\$14,988,334	\$17,992,451	\$17,992,451	
05-06	\$16,898,067	\$13,911,852	\$14,593,677	\$15,301,978	\$16,037,517		05-06	\$17,742,806	\$13,911,852	\$14,593,677	\$15,301,978	\$16,037,517			
06-07	\$17,236,028	\$14,468,326	\$15,323,361	\$16,220,097	\$17,160,143		06-07	\$18,275,090	\$14,468,326	\$15,323,361	\$16,220,097	\$17,160,143			
07-08	\$17,580,749	\$15,047,059	\$16,089,529	\$17,193,302	\$18,361,353		07-08	\$18,823,342	\$15,047,059	\$16,089,529	\$17,193,302	\$18,361,353			
08-09	\$17,932,364	\$15,648,941	\$16,894,006	\$18,224,900			08-09	\$19,388,043	\$15,648,941	\$16,894,006	\$18,224,900	\$19,646,648			
09-10	\$18,291,011	\$16,274,899	\$17,738,706				09-10	\$19,969,684	\$16,274,899	\$17,738,706	\$19,318,394				
10-11	\$18,656,831	\$16,925,895	\$18,625,641				10-11	\$20,568,775	\$16,925,895	\$18,625,641	\$20,477,498				
11-12	\$19,029,968	\$17,602,931	\$19,556,923				11-12	\$21,185,838	\$17,602,931	\$19,556,923	\$21,706,148				
12-13	\$19,410,567	\$18,307,048					12-13	\$21,821,413	\$18,307,048	\$20,534,769					
13-14	\$19,798,779	\$19,039,330					13-14	\$22,476,055	\$19,039,330	\$21,561,508					
14-15	\$20,194,754	\$19,800,903					14-15	\$23,150,337	\$19,800,903	\$22,639,583					
15-16	\$20,598,650	\$20,592,939					15-16	\$23,844,847	\$20,592,939	\$23,771,562					
							16-17	\$24,560,193	\$21,416,656	\$24,960,141					
							17-18	\$25,296,998	\$22,273,323						
							18-19	\$26,055,908	\$23,164,256						
							19-20	\$26,837,585	\$24,090,826						
							20-21	\$27,642,713	\$25,054,459						

  

Fiscal Year	Charter Tax Cap Growth	Excise Tax Expenditure Growth					Fiscal Year	Charter Tax Cap Growth	Excise Tax Expenditure Growth						
		2.5%	4%	5%	6%	7%			12%	3.5%	4%	5%	6%	7%	12%
		ACTUAL							ACTUAL						
00-01	\$15,305,100	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	00-01	\$15,305,100	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	\$11,434,528	
01-02	\$15,687,728	\$11,891,909	\$12,006,254	\$12,120,600	\$12,234,945	\$12,806,671	01-02	\$15,840,779	\$11,891,909	\$12,006,254	\$12,120,600	\$12,234,945	\$12,806,671	\$12,806,671	
02-03	\$16,079,921	\$12,367,585	\$12,606,567	\$12,847,836	\$13,091,391	\$14,343,472	02-03	\$16,395,206	\$12,367,585	\$12,606,567	\$12,847,836	\$13,091,391	\$14,343,472	\$14,343,472	
03-04	\$16,481,919	\$12,862,289	\$13,236,895	\$13,618,706	\$14,007,788	\$16,064,689	03-04	\$16,969,038	\$12,862,289	\$13,236,895	\$13,618,706	\$14,007,788	\$16,064,689	\$16,064,689	
04-05	\$16,893,967	\$13,376,780	\$13,898,740	\$14,435,828	\$14,988,334	\$17,992,451	04-05	\$17,562,954	\$13,376,780	\$13,898,740	\$14,435,828	\$14,988,334	\$17,992,451	\$17,992,451	
05-06	\$17,316,316	\$13,911,852	\$14,593,677	\$15,301,978	\$16,037,517		05-06	\$18,177,658	\$13,911,852	\$14,593,677	\$15,301,978	\$16,037,517			
06-07	\$17,749,224	\$14,468,326	\$15,323,361	\$16,220,097	\$17,160,143		06-07	\$18,813,876	\$14,468,326	\$15,323,361	\$16,220,097	\$17,160,143			
07-08	\$18,192,954	\$15,047,059	\$16,089,529	\$17,193,302	\$18,361,353		07-08	\$19,472,361	\$15,047,059	\$16,089,529	\$17,193,302	\$18,361,353			
08-09	\$18,647,778	\$15,648,941	\$16,894,006	\$18,224,900			08-09	\$20,153,894	\$15,648,941	\$16,894,006	\$18,224,900	\$19,646,648			
09-10	\$19,113,973	\$16,274,899	\$17,738,706	\$19,318,394			09-10	\$20,859,280	\$16,274,899	\$17,738,706	\$19,318,394	\$21,021,913			
10-11	\$19,591,822	\$16,925,895	\$18,625,641				10-11	\$21,589,355	\$16,925,895	\$18,625,641	\$20,477,498				
11-12	\$20,081,618	\$17,602,931	\$19,556,923				11-12	\$22,344,983	\$17,602,931	\$19,556,923	\$21,706,148				
12-13	\$20,583,658	\$18,307,048	\$20,534,769				12-13	\$23,127,057	\$18,307,048	\$20,534,769	\$23,008,517				
13-14	\$21,098,249	\$19,039,330					13-14	\$23,936,504	\$19,039,330	\$21,561,508	\$24,389,028				
14-15	\$21,625,706	\$19,800,903					14-15	\$24,774,282	\$19,800,903	\$22,639,583					
15-16	\$22,166,348	\$20,592,939					15-16	\$25,641,381	\$20,592,939	\$23,771,562					
16-17	\$22,720,507	\$21,416,656					16-17	\$26,538,830	\$21,416,656	\$24,960,141					
17-18	\$23,288,520	\$22,273,323					17-18	\$27,467,689	\$22,273,323	\$26,208,148					
18-19	\$23,870,733	\$23,164,256					18-19	\$28,429,058	\$23,164,256	\$27,518,555					
19-20	\$24,467,501	\$24,090,826					19-20	\$29,424,075	\$24,090,826	\$28,894,483					
20-21	\$25,079,188	\$25,054,459					20-21	\$30,453,918	\$25,054,459	\$30,339,207					