

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 05-3618
CHIEF OPERATING OFFICER TO AWARD	)	
ADDITIONAL REGIONAL SYSTEM FEE	)	Introduced by Chief Operating Officer
CREDITS IN FY 2005-06	)	Michael J. Jordan, with the concurrence of
	)	Council President David Bragdon

WHEREAS, Metro Code section 5.02.047(e) states that the aggregate amount of credits granted against the Regional System Fee for material recovery efforts shall not exceed the dollar amount budgeted without the prior review and authorization of the Metro Council; and

WHEREAS, the amount budgeted for Regional System Fee credits in the FY 2004-05 Adopted Budget was \$600,000; and

WHEREAS, Metro received validated applications for Regional System Fee credits totaling \$625,027.40 during FY 2004-05; and

WHEREAS, to avoid exceeding the budget, credits granted in June 2005 were pro-rated among the three facilities that qualified to receive credits in June 2005—East County Recycling, Pride Recycling and Willamette Resources, Inc.—in proportion to their validated applications; and

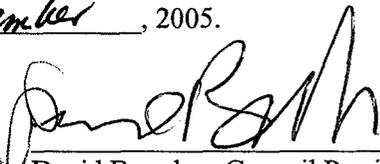
WHEREAS, the Council found in Resolution No. 04-3441, For the Purpose of Authorizing the Chief Operating Officer to Award Additional Regional System Fee and Excise Tax Credits in FY 2003-04, that in order to help meet the adopted recovery goals of the region, it is the policy of the Metro Council to provide credits for each month in which facility operators are eligible to receive, and qualify for, credits; and

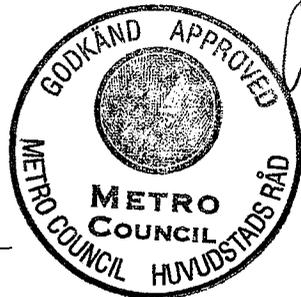
WHEREAS, there is sufficient appropriation authority in the FY 2005-06 Adopted Budget to pay for all such credits; now therefore

THE METRO COUNCIL RESOLVES AS FOLLOWS:

The Chief Operating Officer shall issue \$25,027.40 in additional Regional System Fee credits above the FY 2005-06 budget of \$600,000 to the following facilities in the amounts indicated: East County Recycling: \$9,963.90; Pride Recycling: \$3,832.76, Willamette Resources, Inc.: \$11,230.74.

ADOPTED by the Metro Council this 22nd day of September, 2005.

  
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 David Bragdon, Council President



Approved as to Form:

  
 Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 05-3618 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO AWARD ADDITIONAL REGIONAL SYSTEM FEE CREDITS IN FY 2005-06

Date: September 22, 2005

Prepared by: Douglas Anderson

## BACKGROUND

Credits against Regional System Fees for material recovery efforts are authorized, with conditions, in Metro Code sections 5.02.046 to .047. In particular, Metro Code section 5.02.047(e) states that the aggregate amount of credits granted against the Regional System Fee for material recovery efforts shall not exceed the dollar amount budgeted without the prior review and authorization of the Metro Council.

Regional System Fee credits have been trending mildly over budget during FY 2004-05, as reported in the Solid Waste & Recycling Department's monthly *Regional System Fee Credit Program Report*. At year's end, Metro had received validated applications for Regional System Fee credits totaling \$625,027.40, versus the Adopted Budget of \$600,000.\* "Validated" means staff have verified the material recovery efforts underlying the applications. This resolution provides the Council with an opportunity to consider authorizing the additional \$25,027.40 in credits over budget earned by facility operators.

Through May 2005, Metro had authorized \$581,859.56 in credits, leaving \$18,140.44 for June.\*\* Three facilities—East County Recycling, Pride Recycling and Willamette Resources, Inc.—qualified for credits totaling \$43,167.84 in June. To avoid exceeding the annual budget, the authorized credits were pro-rated, leaving a \$25,040.27 shortfall from applications. These figures are summarized in the following table.

#### Budget Management: Pro-Rated Regional System Fee Credit Authorizations for June 2005

Facility	June Applications	Authorizations (pro-rated)	Difference
East County Recycling	\$17,185.96	\$7,222.06	(\$9,963.90)
Pride Recycling	\$6,610.84	\$2,778.08	(\$3,832.76)
Willamette Resources	\$19,371.04	\$8,140.30	(\$11,230.74)
Total	\$43,167.84	\$18,140.44	(\$25,027.40)

In the past two years, the Council has approved the disbursement of credits above the amount in the Adopted Budget. In last year's resolution (No. 04-3441, For the Purpose of Authorizing the Chief Operating Officer to Award Additional Regional System Fee and Excise Tax Credits in FY 2003-04) the Council found that "it is the policy of the Metro Council to provide credits for each month in which facility operators are eligible to receive, and qualify for, credits."

Adoption of this resolution would be consistent with the Council's past actions to reward material recovery efforts by granting the full amount of validated credit applications. There are no significant adverse fiscal impacts associated with adoption of this resolution.

## INFORMATION/ANALYSIS

- 1. Known Opposition.** None known.
- 2. Legal Antecedents.** The Council approved credit expenses over budget in FY 02-03 and FY 03-04.
- 3. Anticipated Effects:** This resolution remunerates three facilities for validated recovery efforts, consistent with the Council's policy "to provide credits for each month in which facility operators are eligible to receive, and qualify for, credits" [Resolution No. 04-3441].
- 4. Budget Impacts.** Approval of this resolution would result in \$25,040.27 of net operating expenses above budget in FY 2005-06. The resources would be drawn from the Solid Waste Fund balance (or, from current revenue in the event unexpected enterprise revenue is realized during FY 2005-06).

Although the \$25,040.27 additional expense would reduce net operating revenue as defined for the solid waste bond covenants, adoption of this resolution would have no material impact on Metro's ability to meet the bond covenants.

## RECOMMENDATION

The Chief Operating Officer recommends approval of Resolution No. 05-3618.

## NOTES

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- \* At the beginning of the fiscal year, staff projected that credit applications would total \$617,600, consisting of the \$600,000 budget plus \$17,600 in unspent credits remaining from the previous fiscal year. This estimate was based on staff's tonnage projection and a credit rate of \$5.56 per ton. The validated credit applications came in at \$625,027.40 for the year—a \$7,427.40 (1.2%) difference from the estimate.
- \*\* There is a 3-month lag. For example, credits earned in June would be reported in July and taken in August.