

## MINUTES OF THE METRO COUNCIL MEETING

June 15, 2000

Metro Council Chamber

Councilors Present: David Bragdon (Presiding Officer), Susan McLain, Ed Washington, Rod Park, Bill Atherton, Jon Kvistad and by telephone Rod Monroe

Councilors Absent: None

Presiding Officer Bragdon convened the Regular Council Meeting at 2:00 p.m.

### 1. INTRODUCTIONS

None.

### 2. CITIZEN COMMUNICATIONS

None.

### 3. EXECUTIVE OFFICER COMMUNICATIONS

None.

### 4. AUDITOR COMMUNICATIONS

None.

### 5. MPAC COMMUNICATIONS

Councilor Park said the main issue discussed was to be forward to Council. Dan Cooper, Legal Counsel, said there was a friendly amendment to delete a reference to amend the functional plan to require the Council to consider something in 2003, which was not the intention of the report and recommendation, simply that the Council would require itself to consider the matter in 2003. HTAC, on a 14:2 vote, approved recommending the plan be adopted by the Council.

### 6. CONSENT AGENDA

6.1 Consideration of minutes of the June 1, 2000 Regular Council Meeting.

**Motion:** Councilor Kvistad moved to adopt the meeting minutes of June 1, 2000 Regular Council meeting.

**Seconded:** Councilor Park seconded the motion.

**Vote:** The vote was unanimous. The motion passed.

**7. ORDINANCES –SECOND READING**

7.1 **Ordinance No. 00-847B**, For the Purpose of Adopting the Annual Budget for Fiscal Year 2000-2001, making appropriations, and levying ad valorem taxes, and declaring an emergency.

**Motion:** **Councilor McLain** moved to adopt Ordinance No. 00-847B.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor McLain** read prepared remarks urging adoption of Ordinance No. 00-847B. They are attached as a permanent part of this record.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-847B. With no public testimony, he closed the public hearing.

**Motion to**

**Amend:** **Councilor Monroe** moved to amend Ordinance No. 00-849B to include restoration of the funding for the federal lobbyist, in the amount of \$15,000.

**Seconded:** **Councilor McLain** seconded the amendment.

**Councilor Monroe** said this was an especially important amendment as it pertained to lobbying efforts to obtain funding for the transportation needs of the area. Removing this budget item would be sending the wrong message to Senators Smith and Wyden. It was critical to obtaining funding for high priority transportation needs.

**Councilor Kvistad** asked which line item the funding came from. **Councilor Monroe** responded that it came from the General Reserve.

**Motion to**

**Amend:** **Councilor Washington** moved to submit an amendment for consideration.

**Seconded:** **Councilor Kvistad** seconded the motion.

**Councilor Washington** said the issue was important, and that the \$15,000 should not be taken from the general contingency. His amendment proposed to remove from the Council Office subscription and dues budget, \$8,840 for National Association of Regional Councils (NARC) and restore those funds to the lobbyist contract, taking the balance of \$6,160 from the general fund contingency. **Councilor Monroe** suggested that instead of eliminating the NARC dues, consideration should be given to examining the additional \$30,000 provided in the Auditor's budget. **Councilor Atherton** asked if Councilor Monroe was aware of Councilor Washington's proposed amendment asking for the removal of \$8,840 from dues and subscriptions. **Councilor Monroe** responded that he was not. **Councilor Atherton** sought middle ground by suggesting the use of the \$8,840 from dues and subscriptions, and requesting Andy Cotugno to find the remainder in the Transportation budget. **Councilor Monroe** asked staff how the \$15,000 would affect the reserves. **Dan Cooper**, Legal Counsel, clarified the term "reserves" as used by Councilor Monroe to mean "general fund contingency" which acts as a reserve for unexpected

expenditures, technically called the contingency appropriation in the general fund. **Councilor Monroe** agreed with Mr. Cooper, and asked for the amount of the general fund contingency. **Jennifer Sims**, ASD Director, responded that the general fund contingency was \$300,000, and about the same amount in unappropriated fund balance. **Councilor Atherton** again suggested the blending of subscriptions and dues funds. **Councilor Monroe** said the NARC funds had been substantially reduced to \$8,840. He urged a no vote on Councilor Washington's substitution amendment. **Councilor McLain** supported the restoration of the lobbyist funding, and suggested the discussion and possible continuation of the NARC membership in the new budget season. **Councilor Washington** urged an aye vote.

**Vote to**

**Amend:** The vote was 6 aye/ 1 nay/ 0 abstain. The motion for substitution passed, with Councilor Monroe voting in opposition.

**Councilor Monroe** asked for clarification from Councilor McLain regarding the opportunity to revisit the NARC subscription item in the 2000-2001 budget year. **Councilor McLain** agreed.

**Vote to**

**Amend:** Ordinance No. 00-847B to include restoration of the funding for the federal lobbyist by using NARC dues and other funds, in the amount of \$15,000 passed unanimously with a 7:0 vote.

**Motion to**

**Amend:** **Councilor Kvistad** moved to amend Ordinance No. 00-847B to include \$25,000 to Regional Arts and Culture Council (RACC) to support the public funding of arts in the Portland Metropolitan region.

**Seconded:** **Councilor Washington** seconded the amendment.

**Councilor Kvistad** said restoring the RACC funding to the same level as last year, \$25,000, would be an add-back that was prudent without adding anything as a line item to last year's budget. **Councilor Atherton** asked if examination of the POVA budget for the \$25,000 had been made. **Councilor Kvistad** responded that there had been previous discussions about what pool of agency money this should come from, and was a bigger discussion to be held with MERC and POVA. He was in opposition to "un-funding" a previously funded group, but had not contacted POVA. **Councilor Atherton** stated that historically, we had funded RACC in the amount of \$100,000. The current amendment requested one-quarter of the original funding, which might be considered un-funding. **Councilor Kvistad** responded that he felt it was imprudent to raise the level of funding beyond what was budgeted last year. The previous year the line item was for \$100,000. **Councilor Monroe** inquired about the source of the \$25,000 and **Councilor Kvistad** responded the general fund contingency. **Councilor Monroe** said he could support this amendment only at the expense of the extra money placed in the Auditor's budget.

**Motion to**

**Amend:** Councilor Monroe moved a substitute amendment to reduce the Auditor's budget by \$25,000 and apply it toward RACC.

**Seconded:** **Councilor McLain** seconded the motion.

**Councilor Monroe** said at the Auditor's request an additional \$30,000 had been placed in the budget. With the major decreases in budget, this was a place to shift funds. **Mr. Cooper** stated a technical point. Councilor Kvistad's motion was entirely within the general fund. Councilor Monroe's motion to substitute crossed fund lines because the Auditor's \$30,000 is in the support services fund as an allocated cost, and the RACC appropriation would be a general fund expenditure. In the past, the Council had not used allocated funds out of support services for general fund items because then that charges back to federal transportation grants. Councilor Monroe's motion was not clear on the substitution of funds. **Councilor McLain** encouraged Councilor Monroe to withdraw his motion because of the technical issues raised by Mr. Cooper. If there is an issue regarding the Auditor's funding, it should be kept separate.

**Motion**

**Withdrawn:** Councilor Monroe withdrew his motion to withdraw \$25,000 from the Auditor's budget.

**Mike Burton**, Executive Officer, pointed out that the Council will have a sole source contract to RACC to manage about \$75,000 of the arts portion of the new building facility.

**Councilor McLain** said she was unclear on the relationship between the Executive Officer's comment and the amendment Councilor Kvistad was offering. **Councilor Kvistad** said they were dissimilar. One is a contract being let by the Executive Officer for services to be rendered, the other had been the Council's traditional contribution to the on-going operations of RACC. Although they represent revenue to RACC, they are dissimilar. **Presiding Officer Bragdon** added that there will be a resolution in July pertaining to art in the Convention Center expansion, designating RACC as the contractor to procure the art.

**Councilor Atherton** said that for comparison purposes, the total POVA budget is about \$5.6 million, with MERC/Metro's contribution of about \$2.2 million. The POVA contract conversations seem not to have generated serious review of this issue. **Councilor Park** pointed out a budget note to be reviewed with regard to role determinations of POVA and RACC, and that by this review, the appropriate ratios will be determined. The POVA budget question of money generated through the hotel/motel tax left Councilor Park uncomfortable as to the exact extraction from one to the other in terms of what is used within that function and with other items being considered. He hoped for the adoption of the budget note to allow examination of that relationship.

**Presiding Officer Bragdon** restated the discussions on Councilor Kvistad's motion to restore \$25,000 to RACC. He indicated he supported the motion. **Councilor Monroe** said that when the budget process had begun, guidelines had been established. One was that no amendment would be allowed before Council that had not been heard at committee. Was this amendment presented at committee? **Presiding Officer Bragdon** responded that under procedure, any issue can be raised at Council. The understanding had been that in terms of staff time and priorities for preparing reports, that priority would be given to first heard committee items.

**Councilor Kvistad** recommended an aye vote.

**Vote to**

**Amend:** The vote was 5 aye/ 2 nay/ 0 abstain. The motion passed with Councilors Atherton and Monroe voting in opposition.

**Motion to**

**Amend:** **Councilor McLain** moved to amend Ordinance No. 00-847B to include \$13,000 for dues for the purpose of funding the Water Consortium.

**Seconded:** **Councilor Park** seconded the amendment.

**Councilor McLain** stated that a letter had been received by the Water Consortium asking that Metro's membership would be continued. A copy is attached as a permanent part of this record. Membership in this organization was important to our transportation and growth management related issues. **Councilor Park** said our membership was desired by the Consortium and fulfilled a Charter requirement. He said at this time he would support the amendment with the proviso that the relationship with the Consortium be further examined. **Councilor Kvistad** said he had been told of the importance of Metro's involvement in the Consortium and had reconsidered his previous vote to support this amendment. **Councilor Washington** said that Councilor McLain had encouraged him to support this amendment and he would.

**Vote to**

**Amend:** The vote was 7 aye/0 nay/ 0 abstain. The motion was unanimously approved.

**Motion to**

**Amend** **Councilor Washington** moved to amend Ordinance No. 00-847B to include a budget note proposing the Council to undertake a cooperative review during fiscal year 2000-2001 of the relationships between MERC, POVA, and RACC to determine the role that arts funding played in support of agency-managed facilities, tourism, and the livability of the region. The Council reaffirms past practice of providing appropriate public art in capital projects such as the currently-planned expansion of the Convention Center.

**Seconded:** **Councilor Kvistad** seconded the amendment.

Having previously touched upon this item, **Councilor Washington** urged an aye vote.

**Vote to**

**Amend:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion was unanimously approved.

**Motion to**

**Amend:** **Councilor McLain** moved to make a technical amendment to Ordinance No. 00-849B by budget adjustment to include a consortium project in DRC and adding the contract to the annual contract list for FY 2000-2001.

**Seconded:** **Councilor Kvistad** seconded the motion.

**Kathy Rutkowski**, Financial Planning, said within the DRC of the Growth Management budget was a project for aerial photography. There are other participating governments with whom DRC works that need aerial photography, making the contract \$113,000, with Metro receiving \$89,000 from the other governments. Metro's share of the cost would be reduced to \$24,000. This amendment recognized \$89,000 in intergovernmental revenues raising the total appropriation to

\$113,000, placing the net savings of \$21,000 in the Growth Management contingency fund. At the end of the fiscal year, the remaining balance would be returned to the general fund.

**Councilor McLain** supported this amendment as a proactive partnership benefiting Metro.

**Vote to**

**Amend:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion was unanimously approved.

**Presiding Officer Bragdon** addressed the FY 2000-2001 Budget Technical Adjustments next.

**Motion to**

**Amend:** **Councilor McLain** moved the package of 10 technical amendments to Ordinance No. 00-849B.

**Seconded:** **Councilor Washington** seconded the motion.

**Tony Mounts**, Financial Planning Manager, introduced the technical amendments before the Council. There were also several adjustments to MERC's budget to better reflect the OCC capital expansion project, as well as the Hall D project. The funds that have been impacted for adjustment are: Planning Fund, General Revenue Bond Fund, MERC Pool Capital Fund, MERC Operating Fund, OCC Project Capital Fund, General Fund and Support Services Fund. Also, the M1 MERC budget amendment was presented as a revision to the document in the packet.

**Mr. Mounts** said he would not go into each individual amendment, but would take questions relating to them.

**Councilor Atherton** inquired about the source of funding for the T2, South Corridor Study Environmental Impact Statement grant fund increase. **Mr. Mounts** said it was a federal grant. **Councilor Atherton** asked where the funds would be going had they not been dedicated to the South Corridor Study. A response from the audience indicated they would remain with the Federal Government or be awarded to another metropolitan area in the country.

**Motion:** **Councilor Kvistad** requested each item be separated and dealt with individually.

**Seconded:** **Councilor Atherton** seconded the motion.

**Councilor Kvistad** asked they be taken individually as he was opposed to one and wanted to vote on it separately. **Councilor Park** suggested Councilor Kvistad amend his motion to only select and remove the one technical amendment that he was not going to support, so the others could be voted on together. **Councilor Kvistad** agreed and asked the Council to remove Item 10.

**Presiding Officer Bragdon** heard no objections and separated the tenth item from the packet. He asked for discussion on the first nine budget technical amendments. There was none.

**Vote To**

**Amend:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion carried.

**Presiding Officer Bragdon** opened Item 10 for discussion. **Councilor Kvistad** stated opposition to this particular public service campaign. **Councilor Park** asked if the motion had been moved. **Presiding Officer Bragdon** agreed that it had.

**Motion to**

**Amend:** **Councilor McLain** moved to amend Ordinance No. 00-849B to include Item 10 of the Budget Technical Amendments.

**Second:** **Councilor Park** seconded the motion.

**Councilor McLain** said Item 10 was important because it allowed Metro to do more public outreach as Goal 5 work was being finished and commitments completed to Title 3 and Functional Plan elements. MPACT and WRPAC among other groups are discussing communication and strategizing. More citizen notification and public involvement will be important in the future, and she supported this technical amendment. The Council did vote to approve the Communication Plan and this amendment would help support that effort.

**Vote to**

**Amend:** The vote was 6 aye/ 1 nay/ 0 abstain. The motion carried with Councilor Kvistad voting in opposition.

**Motion to**

**Amend:** **Councilor McLain** moved adjustment of the property tax levy consistent with the Tax Supervising and Conservation Commission (TSCC)'s instruction.

**Seconded:** **Councilor Atherton** seconded the motion.

**Councilor McLain** asked for recognition of the TSCC letter of June 8, 2000. The letter contained questions and responses and acknowledged the review. She felt very comfortable with the review and the staff response. **Ms. Rutkowski** said we were required to respond to the TSCC objection, which was at our request. The budget did not need to be adjusted, but the ordinance needed to be changed and it would be done by her department. **Councilor Park** added that this is the only portion that Metro has in property tax and is for the sole support of the Zoo.

**Vote To**

**Amend:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion was approved unanimously.

**Presiding Officer Bragdon** opened discussion of Ordinance No. 00-847B as amended.

**Councilor Kvistad** said there have been previous discussions about his concerns about long-term funding for the agency. He had hoped further strides could have been made to protect the agency and the public from future reductions. He had expressed his concerns over portions of the budget, and hoped there will be more conversations about the budget and the way the agency funded itself. He is opposed to this year's budget and will vote as such.

**Councilor Atherton** said he had enjoyed the participation and the budget process. The public had been able to witness the give and take that had occurred within the budget process. He did not share Councilor Kvistad's concern about long-term funding because he thought strides had been made in reviewing the needs and the consideration of new ideas for funding. He said the one idea that the Council had not been open to was the funding of growth and the subsidizing of it. The proposals he had submitted had been rejected, meaning he would have to vote no on this budget approval. Additionally, was the issue of unfunded mandates. His intention to stimulate discussion and focus on the clear problems of the unfunded mandate of 1997 HB 2463, which required Metro to add land to the urban growth boundary within two years. This, and possibly others, should have been paid for by the State, totally about \$500,000 - \$800,000 additional costs per year. He urged a no vote.

**Councilor McLain** thanked Councilors Atherton and Monroe, as well as the other councilors for their work throughout the budget season. There are unresolved issues that need more consideration and review as the agency moves forward into the new fiscal year. She urged passage of this budget.

**Vote to**

**Amend:** The vote was 5 aye/ 2 nay/ 0 abstain, approving amendments to Ordinance No. 00-847B. Councilors Atherton and Kvistad voted in opposition.

7.2 **Ordinance No. 00-859**, Amending the FY 1999-00 Budget and Appropriations Schedule for the Purpose of Adopting a Supplemental Budget for the Fiscal Year Beginning July 1, 1999 and Ending June 30, 2000; and Declaring an Emergency.

**Motion:** **Councilor McLain** moved to adopt Ordinance No. 00-859.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor McLain** said this amendment pertained to the current budget. **Ms. Rutkowski** said on this supplemental budget for the current fiscal year, there were two items pertaining to this amendment. The first related to the MERC concessions contract. The new contractor was required to provide \$1 million to MERC for concessions capital improvements. At the time the budget had been adopted, the contract had not been finalized. This action recognized that \$1 million revenue contribution. The second action related to the Hall D construction project. At the adoption of the original budget, it was assumed that Metro would issue its own revenue bonds to pay for construction. Metro is now financing the project through an OEDD (Oregon Economic Development Department) loan, which required budgeting the loan in a different fund. The project is being moved from the MERC operating fund to the general revenue bond fund.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-859. With no public testimony, he closed the public hearing.

**Vote:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion carried.

7.3 **Ordinance No. 00-864**, For the Purpose of Amending the FY 1999-00 Budget and Appropriations Schedule by Transferring Appropriations from Contingency to Operating Expenses in the Zoo Operating Fund; and Declaring an Emergency.



**Motion:** **Councilor Washington** moved to adopt Ordinance No. 00-864.

**Seconded:** **Councilor Kvistad** seconded the motion.

**Councilor Washington** requested Cheri Yasami, Financial Planning Department, address this ordinance. **Ms. Yasami** said that in Councilor Washington's hand-out, it was stated that the \$300,000 was from revenues. Actually, it was moved from contingency to materials and services.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-864. With no public testimony given, Presiding Officer Bragdon closed the public hearing. **Councilor Washington** stated that these funds were being used for some unanticipated Zoo repairs, and urged an aye vote.

**Vote:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion was approved unanimously.

7.4 **Ordinance No. 00-865**, For the Purpose of Amending the Regional Solid Waste Management Plan related to Disposal Facilities.

**Motion:** **Councilor Washington** moved to adopt Ordinance No. 00-865.

**Seconded:** **Councilor Park** seconded the motion.

**Councilor Washington** asked that Ordinance No. 00-865 be addressed together with Ordinance No. 00-866 and Ordinance No. 00-867. They were in committee together and should remain together. They dealt with the issue of transfer stations. Items involved were additional transfer station capacity, facility-type designations, new facility operational requirements and Metro enforcement. Doug Anderson, Waste Reduction, Planning and Outreach Division, and staff made a presentation, a copy of which is attached as a permanent part of this record.

**Council McLain** restated Mr. Anderson's last comment, that during committee, the administrator procedures - the general term for application procedures, regulatory inspection procedures, the forms and materials the applicant's would need to respond to, had the addition of a footnote including performance measures for the system. **Mr. Anderson** agreed that it had been discussed. **Councilor McLain** said it was important that the system was fully working. **Councilor Kvistad** said most of these rules had been in place for several years. He had a concern regarding transitioning the agency into being more of a regulator and less of a service provider, and how the private sector could be given more opportunities to compete within the system while protecting the current operators who have partnered with Metro for some time. If a way could be found to diffuse the bond on the transfer stations and vend them, moving toward a regulatory rather than competing effort would be healthy for our system.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-865, 00-866, and 00-867.

**Dean Kampfer**, 5150 SW Alger, Beaverton, OR 97005, spoke representing Waste Management endorsed all three of the ordinances. The solid waste system in the region would be benefited.

**Merle Irvine**, General Manager of Willamette Resources, Inc., 10295 SW Ridder, Wilsonville, OR 97070 spoke in support of all three ordinances. It was an opportunity to expand the services in the area. Last year operations were under the 50 ton limitation. That was met and exceeded. It will become more of an issue in the year 2000. The moratorium on water and traffic had been lifted in Wilsonville, and with the new prison facility one mile away from their facility, an increase in tonnage was expected. It would serve new as well as existing customers and third-party haulers again. Passage of this ordinance would allow them to make an application to Metro and judge it on its merits. At least it gave them the opportunity to do so. He encouraged an aye vote.

**Susan Keil**, Manager of Industrial and Solid Waste, City of Portland, said she was a member of the sub-committee of SWAC and spent a year on this issue. She thanked Councilor Washington and the staff for the open process used to consider this issue. She felt that Metro had changed in the nine years she had been around. This was a classic example, examining what the system required, how to best accommodate both the providers and the customers needs. She supported all three-ordinances. They provided the best framework to look at what would provide the best service to the system and allow the best chance to correct the inequities that have been there for a long time. It did not benefit just Portland, but particularly Washington and East Multnomah County ratepayers. She thought that requiring 25% recovery at each facility was a great idea. A number of facilities was already doing so, but extended the opportunity to handle some of the recovery to more places. She cautioned Metro to ensure that there was a careful examination by Metro's regulatory and enforcement capabilities, for recovery and proper management of the facilities. She asked that Council pass it.

**David White**, Chair of Tri-County Council, supported all three of the ordinances. He noted some controversy by various individual companies of support of various aspects of the ordinances. They had supported the opportunity for a local transfer station that would direct haul to a disposal facility. He felt the 50k cap had restricted some access to these facilities. The move to allow regional transfer stations with over 50k tons of disposal went a long way to remedy that problem. A number of haulers felt that if Metro allowed this type of facility, then Metro should run the gatehouse. Then if Metro ran the gatehouse, the next step was for Metro to collect the money and disburse the funds. They did not want Metro doing that, so they supported the monitoring and enforcement that Metro had committed to; not only the recycling requirement, but by making sure that the code requirements for non-discriminatory rates were enforced.

**Councilor Washington** appreciated Ms. Keil's kind remarks. They were good to hear.

**Presiding Officer Bragdon** closed the public hearing.

**Councilor McLain** thanked Councilor Washington, SWAC, the witnesses who had come forward and Councilor Park. The witnesses' cheerful demeanor demonstrated their happiness with the process. Both the product and the process were equally important; the testimony was a compliment to a successful process. She supported all three ordinances. She noted that she was on the Council when it voted 7-6 for the Wilsonville transfer station.

**Councilor Monroe** assured the audience that he had been thoroughly briefed and was confident that these ordinances provided a good framework for reform.

**Councilor Park** appreciated the work done by the industry and staff to move these ideas ahead. The most highly impacted areas were his district and that of Councilor Monroe, as well as Councilor Atherton's district, to some extent. It was ironic that currently Metro was moving garbage from East County to Central in Oregon City and then back through East County to reach the Arlington landfill. In the future the garbage would only go through each county once, rather than twice. He urged an aye vote.

**Councilor Washington** said these issues had been in discussion for several years. He appreciated the fact that everyone had been able to get together to put something on the table, and that everyone had had the opportunity to participate in the process. It was a job for staff, but for the SWAC sub-committee and the people who testified it was an additional pressure on their time. He knew they were all extremely busy with their businesses, etc. and thanked them very much for their effort. Everything that has been accomplished would be revisited over time. He hoped that they would hold the Councils' feet to the fire if things did not develop as they expected. He noted Mr. Phelps non-verbal communication while Councilor Kvistad was speaking.

**Vote:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

7.4 **Ordinance No. 00-866**, For the Purpose of Amending Metro Code 5.01 Related to Solid Waste Facilities.

**Motion:** **Councilor Washington** moved to adopt Ordinance No. 00-866.

**Seconded:** **Councilor Park** seconded the motion.

It was noted for the record that a public hearing had been called on Ordinance Nos. 00-865, 866, and 877 under the consideration of Ordinance No. 00-865 (see 7.4 agenda item.)

**Vote:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

7.5 **Ordinance No. 00-867**, For the Purpose of Amending Metro Code Chapter 5.02 Related to Regional System Fee Credits and Making Other related changes.

**Motion:** **Councilor Washington** moved to adopt Ordinance No. 00-867.

**Seconded:** **Councilor Park** seconded the motion.

It was noted for the record that a public hearing had been called on Ordinance No. 00-865, 866, and 877 under the consideration of Ordinance No. 00-865 (see 7.4 agenda item).

**Vote:** The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

7.7 **Ordinance No. 00-857B**, For the Purpose of Amending Metro Code Chapter 7.01 to Convert the Excise Tax Levied on Solid Waste to a Tax Levied Upon Tonnage Accepted at Solid Waste Facilities; and Making Other Related Amendments.

**Motion:** **Councilor Park** moved to adopt Ordinance No. 00-857B.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor Park** reviewed the components of this ordinance.

**Terry Peterson**, Director of REM, utilized slides to illustrate Councilor Park's comments. A copy of which has been attached as a permanent part of this record. He noted that the slides were labeled 857A, but the changes did not effect the slides.

**Presiding Officer Bragdon** opened a public hearing on Ordinance No. 00-857B.

**Dan Schooler**, Columbia Resource Company (CRC), said they operated two transfer stations in the Clark County area across the river. He asked that the Council consider amending the ordinance. If waste was recovered outside the Metro boundaries the tax credits would not apply. Currently there were three non-system licensed hauling companies that brought waste to CRC. He said that anything that they recovered would not qualify for these credits. He believed that facilities outside Metro boundaries that were processing Metro-generated waste should be entitled to these credits as recycling was listed as the number one item on the slides and the intention of the ordinance was to encourage recycling.

**Councilor Park** asked Marv Fjordbeck for counsel on out-of-state disposal.

**Marv Fjordbeck**, Senior Assistant Counsel, said with regard to CRC, they did not pay the tax now, the facility user paid the tax through their non-system license. There was no tax paid by facilities outside the Metro region, so no credit could be given. However, he understood there was interest from staff in finding some way to encourage the Vancouver facilities to recycle that would come forward in the near future.

**Ralph Gilbert**, ECR, supported the excise tax. He believed that it leveled the playing field, encouraged recycling and gave credits for recycling. It increased his rate, but gave back incentives through recycled property. He was very much in favor of the ordinance.

**Doug Drennen**, Grabhorn Inc, spoke in opposition to the ordinance. His facility would be the most greatly effected by this ordinance. He would have to increase the cost of service by over \$130,000, thus changing his rate base. More importantly it would change the differential between him and his competition. The second item of concern was the recycling credits. He said as the ordinance was written Lakeside did not qualify for the tax credits. Lakeside was about a mile outside the Metro boundary; 95% of the waste coming into the facility came from inside the boundary. Grabhorn had a good track record on working with Metro on coordinating the solid waste system. In addition the landfill recycles 35,000 tons/year of both source separated and material that he recovered, or 4% of Metro's recycling goal. He respectfully requested that minimally his facility should receive tax credits to create more incentives for more materials recovery. He would like that issue included in the ordinance.

**Councilor Athterton** asked Mr. Drennen why he would not be available for a tax credit.

**Mr. Drennen** said he understood that the way the ordinance was written and the agreements at the facilities that Grabhorn was not covered by the tax credits and user fees. Councilor Park was supportive of looking at ways to accomplish this, but the current ordinance did not permit it.

**Councilor Park** said this was an issue he and staff wanted to look at. Both of these policy issues came up at the eleventh hour, but would address these as well as the Holland issue shortly.

**Councilor McLain** said she felt this was the next phase for Metro to keep up with the industry and explore the legal opportunities for the last two businesses. She appreciated their testimony.

**Mr. Drennen** clarified that they do collect the taxes.

**Councilor McLain** said she understood.

**Councilor Atherton** was still confused; he understood that tax was not paid on recycled materials.

**Mr. Drennen** agreed, but said the credits themselves did not kick in until a certain level was reached. He got the residual from material recovery facilities and construction debris. There were incentives in his rate to deliver source separated materials. As the system looked at more and more ways to recover, he was amenable to doing that. These credits created opportunities to perhaps do more.

**Dean Kamfer**, Waste Management Inc (WMI), said his company would probably pay a higher proportion of excise tax under the new flat tax than what they currently paid. After consideration of the benefits to the system WMI supported the ordinance.

**Ms. Keil** said going through this exercise may have been the most mentally challenging thing she had done in many years. The transfer stations and interlocking financial structures were pretty fancy. The word "simple" did not seem to apply.

**Presiding Officer Bragdon** said that was relative to the UGB.

**Ms. Keil** felt the flat tax was the thing to do and leveled the playing field for disposed waste. The issue raised by the out-of-boundary providers should be examined and fit with the transfer station issue because it should be insured that recovery facilities were in the right places to recover certain types of waste. It might have implications in that regard. A tax credit for doing the right thing with appropriate waste was built in to this proposal. She understood that it would be reexamined in one year to see how it was working. Metro would have a lot more information then. She recommended approval.

**Mr. Irvine**, said when the issue was first raised he had some misgivings, however, after having looked at the system as a whole he felt it would benefit everybody. He was more comfortable with the latest amendment to the ordinance that dealt with review after one year. There were a lot of unknowns at this point in time, but the review would allow whatever adjustments that were necessary. Given all of that he supported the ordinance.

**David White**, Chair of Tri-County Council, said they supported the flat tax. It remedied the inequities of taxing based upon disposal cost. It did not mean that they supported all aspects of the ordinance; their concern was the aspirational goal could lead to excessive generation of revenue. If excess revenues were collected they would like to see it applied as a credit in the following year to the excise tax. At least it was being set aside for a fund that Metro did need. He

had thought that he understood the issue of tax credits for facilities outside the area, but the examples that came up just now between designated facilities and non-system licenses.

**Presiding Officer Bragdon** closed the public hearing.

**Councilor Atherton** said he listened closely to Mr. Drennen to address his concerns. Mr. Drennen said he received source separated material and he provided a lower rate to his customers because of that. Councilor Atherton understood that to be the pass-through for recycling. Mr. Drennen passed it back to his customers, which is where it should go. This ordinance recognizes that because Mr. Drennen does not pay a tax. If it is source separated, it would no longer be garbage. Councilor Atherton agreed with Ms. Keil regarding the matter being “overly complicated” but felt that during the next year, the overall goal will be to have a simple, flat, aerial fee that would be very high, causing incentive to do the right thing., and lessening the enforcement of complications. He was supportive of this ordinance.

**Councilor McLain** said she would support this ordinance because of the minimum 25% recycling rate that can be reviewed within a year. This plan tries to follow the RSWMP plan, goals and vision. It will continue to need refinement over time.

**Councilor Washington** thanked everyone who had worked so hard on this ordinance, particularly Councilor Park’s for his leadership. He recognized some of the concerns that were raised, and felt there was built-in opportunity for revisiting the matter.

**Councilor Monroe** said it had been more than a year dealing with this issue, it was time to move forward, and was much fairer than the current system. He thanked the staff, and Councilor Park for his hard work.

**Councilor Park** closed by saying there were still issues that needed to be covered including hauler credits policy and out-of-district waste questions. There were plenty of incentives to help achieve the 56% recycling rate by 2005. He said it may be aggressively structured, but was better than admitting failure up front. He did not feel it was over-complicated, but reflected the complexity of the entire system which dealt with conflicting goals. Once in place, it will be easier for everyone to use. He thanked Councilors, staff and the industry for their input, support and hard work.

**Presiding Officer Bragdon** stated that Councilor Kvistad was at another Metro related meeting at the City Hall which was why he departed the meeting.

**Vote:** The vote was 6 aye/ 0 nay/ 0 abstain. Councilor Kvistad was absent.  
The motion carried.

## **8. RESOLUTIONS**

8.1 **Resolution No 00-2958**, For the Purpose of Authorizing Release of an RFB #00B-19 REM for the Repair of the Perimeter Dike at St. Johns Landfill.

**Motion:** **Councilor McLain** moved to adopt Resolution No. 00-2958.

**Seconded:** **Councilor Washington** seconded the motion.

**Councilor McLain** said when a landfill is sited, used or closed it remains an on-going item to be dealt with. This resolution allowed repair of a perimeter dike which serves as a filter and barrier between the solid waste and the surrounding surface water. There is a risk of surface water contamination and spillage into the slough. The repair will confer long-term stability to maintain the soil filter and barrier needed and to maintain shading by a riparian canopy of native plants. The dike stabilization is included in the CIP and is budgeted in FY 2000-2001 at \$920,000 with the payments made from the St. Johns Landfill Closure Account.

**Mr. Burton** said after having been involved in the St. Johns Landfill for 30 years, he thought it was dangerous. Maintenance has been provided, but it is in a sensitive area of which there has been much discussion. He planned on returning to the Council with some alternative fund allocation proposals. He stated the serious nature of this piece of land.

**Councilor Washington** acknowledged and shared Mr. Burton's concerns. DEQ is currently in the process of providing Metro with a closure permit. However, Metro continues to bear responsibility for the property. The repair work being proposed is critical and important to be done correctly.

**Councilor Atherton** asked about working with the Army Corps of Engineers to remove and replace the landfill material.

**Mr. Burton** suggested further discussion of that idea. He was concerned that hazardous material might be discovered, and the potential of removing it would be very expensive. Again, it warranted further discussion.

**Councilor Park** commented that the issue was serious and needed to be funded for any unexpected future expenses.

**Councilor McLain** closed by thanking those involved with this process.

**Vote:** The vote was 5 aye/ 0 nay/ 0 abstain. The motion passed with Councilors Monroe and Kvistad absent from the vote.

## 9. COUNCILOR COMMUNICATIONS

**Councilor Washington** announced the plans for a concurrent tour of the St. Johns Landfill and Smith and Bybee Lake. Also, following next week's council meeting, a reception will be held for HTAC. All are welcome.

**Councilor McLain** invited everyone to attend the speech tournament at the Convention Center on Friday. She thanked Portland State University and the other sponsors of the tournament.

**Councilor Park** said he attended the periodic review work plan on June 9, 2000 which hopefully will be approved early July. Two newspapers have recently mistakenly reported that farm land has been brought into the urban growth boundary. That did not occur. Lastly, he reported on a conference recently attended in Montana regarding use of the free market for environmental protection. It was different and interesting, and related to various activities in different parts of the country.

**Presiding Officer Bragdon** announced that next week's Council meeting June 22, 2000, would be at 5:30pm.

**10. ADJOURN**

There being no further business to come before the Metro Council, Presiding Officer Bragdon adjourned the meeting at 4:59pm.

Prepared by

Chris Billington  
Clerk of the Council

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