

A G E N D A

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**METRO**

**Agenda**

MEETING: METRO COUNCIL REGULAR MEETING  
DATE: March 30, 2006  
DAY: Thursday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

**1. INTRODUCTIONS**

**2. CITIZEN COMMUNICATIONS**

**3. CONSENT AGENDA**

3.1 Consideration of Minutes for the March 23, 2006 Metro Council Regular Meeting.

**4. ORDINANCES - SECOND READING**

4.1 **Ordinance No. 06-1113**, For the Purpose of Adopting the Annual Budget For Fiscal Year 2006-07, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency (*Public Hearing only – no final action*) Hosticka

4.2 **Ordinance No. 06-1116**, For the Purpose of Amending Metro Code Chapter 7.01 Relating to the Metro Solid Waste Excise Tax. Park

**5. RESOLUTIONS**

5.1 **Resolution No. 06-3680**, For the Purpose of Approving the Year 17 Metro and Local Government Annual Waste Reduction Plan (Fiscal Year 2006-07). McLain

5.2 **Resolution No. 06-3684**, For the Purpose Endorsing Regional Support for Protection of the Endangered Wildlife and its Habitat under the Endangered Species Act Burkholder

**6. CONTRACT REVIEW BOARD**

6.1 **Resolution No. 06-3679**, Considering an Amendment to Metro Contract No. 926981, For Metro Central Transfer Station Compactor #2 Refurbishment. Park

7. CHIEF OPERATING OFFICER COMMUNICATION

8. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for March 30, 2006 Metro Council meeting

<b>Clackamas, Multnomah and Washington counties, and Vancouver, Wash.</b> Channel 11 -- Community Access Network <a href="http://www.yourtv.org">www.yourtv.org</a> -- (503) 629-8534 2 p.m. Thursday, March 30 (live)	<b>Portland</b> Channel 30 (CityNet 30) -- Portland Community Media <a href="http://www.pcmv.org">www.pcmv.org</a> -- (503) 288-1515 8:30 p.m. Sunday, April 2 2 p.m. Monday, April 3
<b>Gresham</b> Channel 30 -- MCTV <a href="http://www.mctv.org">www.mctv.org</a> -- (503) 491-7636 2 p.m. Monday, April 3	<b>Washington County</b> Channel 30 -- TVC-TV <a href="http://www.tvctv.org">www.tvctv.org</a> -- (503) 629-8534 11 p.m. Saturday, April 1 11 p.m. Sunday, April 2 6 a.m. Tuesday, April 4 4 p.m. Wednesday, April 5
<b>Oregon City, Gladstone</b> Channel 28 -- Willamette Falls Television <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275 Call or visit website for program times.	<b>West Linn</b> Channel 30 -- Willamette Falls Television <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275 Call or visit website for program times.

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.**

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, (503) 797-1542. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website [www.metro-region.org](http://www.metro-region.org) and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ) ANNUAL BUDGET FOR FISCAL YEAR 2006-07 ) MAKING APPROPRIATIONS, AND LEVYING ) AD VALOREM TAXES, AND DECLARING AN ) EMERGENCY )	ORDINANCE NO 06-1113     Introduced by David Bragdon, Council President
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WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2006, and ending June 30, 2007; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2006-07 Metro Budget," in the total amount of THREE HUNDRED SEVEN MILLION EIGHT HUNDRED THIRTY NINE THOUSAND FOUR HUNDRED SEVENTY FIVE DOLLARS (\$307,839,475), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operations and in the amount of NINETEEN MILLION ONE HUNDRED EIGHTY SIX THOUSAND EIGHT HUNDRED ELEVEN DOLLARS (\$19,186,811) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2006-07. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$19,186,811

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2006, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

5. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2006, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this \_\_\_ day of June, 2006.

\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Chris Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 06-1113 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2006-07, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

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Date: March 16, 2006

Presented by: David Bragdon  
Metro Council President

## BACKGROUND

I am forwarding to the Metro Council for consideration and approval my proposed budget for fiscal year 2006-07.

Metro Council action, through Ordinance No. 06-1113 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Metro Council to adopt this plan must be completed by June 30, 2006.

Once the budget plan for fiscal year 2006-07 is approved by the Metro Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Metro Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's expenditures in the period between Metro Council approval in early May 2006 and adoption in June 2006.

Exhibits B and C of the Ordinance will be available at the public hearing on March 16, 2006.

## ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget during the months of March and April 2006. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2006. The Commission will conduct a hearing during June 2006 for the purpose of receiving information from the public regarding the Metro Council's approved budget. Following the hearing, the Commission will certify the budget to the Metro Council for adoption and may provide recommendations to the Metro Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2006-07 budget, effective July 1, 2006.
4. **Budget Impacts** – The total amount of the proposed FY 2006-07 annual budget is \$307,839,475 and 671.88 FTE.

## RECOMMENDED ACTION

The Metro Council President recommends adoption of Ordinance No. 06-1113.

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BEFORE THE METRO COUNCIL

AMENDING METRO CODE CHAPTER 7.01 ) ORDINANCE NO. 06-1116  
RELATING TO THE METRO SOLID WASTE )  
EXCISE TAX ) Introduced by Council President David  
Bragdon and Councilor Rod Park

WHEREAS, the Metro Solid Waste Excise Tax is a component of the fee for disposal of solid waste at the Metro South and Metro Central Transfer Stations that is set forth in Metro Code Section 5.02.025; and

WHEREAS, pursuant to Metro Code section 7.01.020(e)(1), Metro has traditionally established the beginning of each fiscal year as the effective date for any changes in the Metro solid waste excise tax rate; and

WHEREAS, in 2004, the Metro Council established September 1 as the effective date for modifications to the disposal charges for solid waste adopted pursuant to amendments to Metro Code Section 5.02.025; and

WHEREAS, adjusting the fee for disposal of solid waste at the Metro transfer stations at both the start of the Metro fiscal year and on September 1<sup>st</sup> of each year creates hardships for both the local government units that annually set collection rates for solid wastes, and for private solid waste companies that change their rates concurrently with any adjustment that Metro makes to the fee for disposal of solid waste; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.01.020(e)(1) is amended as follows:

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 Metro, each user except users of solid waste system facilities shall pay a tax of 7.5 percent of the payment charged by the operator or Metro for such use unless a lower rate has been established as provided in subsection 7.01.020(b). The tax constitutes a debt owed by the user to Metro which is extinguished only by payment of the tax directly to Metro or by the operator to Metro. The user shall pay the tax to Metro 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) or in subsections 7.01.020(c)-(e) by so providing in an ordinance adopted by Metro. If the Council so establishes a lower rate of tax, the Chief Operating 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) For the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, licensed, franchised, or provided by Metro, each user of solid waste system facilities and each solid waste facility licensed or franchised under Chapter 5.01 of this Code to deliver putrescible waste directly to Metro's contractor for disposal of putrescible waste shall pay a tax in the amount calculated under subsection (e)(1) for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro South stations and source separated recyclable materials accepted at the solid waste system facilities. In addition, each user of solid waste system facilities and each solid waste facility licensed or franchised under Chapter 5.01 of this Code to deliver putrescible waste directly to Metro's contractor for disposal of putrescible waste shall also pay the additional tax in the amount set forth under Section 7.01.023 for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro South stations and source separated recyclable materials accepted at the solid waste system facilities. The tax constitutes a debt owed by the user to Metro which is extinguished only by payment of the tax directly to Metro or by the operator to Metro. The user shall pay the tax to Metro 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.

(d) For the Metro fiscal year beginning July 1, 2002, the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue of \$6,050,000 after allowing for any tax credit or tax rebate for which provision is made in this chapter. For each Metro fiscal year thereafter the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue equal to the net excise tax revenue authorization in the previous fiscal year as adjusted in accordance with Section 7.01.022.

(e)(1) The excise tax rate for each ton of solid waste, exclusive of (i) source separate recyclable materials accepted at the solid waste system facilities, (ii) inert materials, (iii) Cleanup Materials Contaminated by Hazardous Substances, and (iv) compostable organic waste delivered to Metro Central or Metro South stations, shall be the amount that results from dividing the net excise tax revenue amount set forth in sub-section (d) by the amount of solid waste tonnage which the Chief Operating Officer reports to the Council under sub-section (f)(2). Subject to the provisions of subsection 7.01.020(b), the rate so determined shall be Metro's excise tax rate on solid waste during the subsequent Metro fiscal year. **Commencing with Metro fiscal year 2006-07, and each fiscal year thereafter, the rate determined by this subsection shall be effective as of September 1<sup>st</sup> unless another effective date is adopted by the Metro Council.**

(f) By ~~December 1, 2000, and by~~ March 1st of each year ~~thereafter~~, the Chief Operating Officer shall provide a written report to the Metro Council stating the following:

- (1) For the twelve (12)-month period ending the previous December 31; the amount of solid wastes, exclusive of inert materials, delivered for disposal to any Solid Waste System Facility that is not exempt pursuant to Section 7.01.050(a) of this chapter, and
- (2) The amount of such solid wastes that would have been delivered for disposal to any such non-exempt Solid Waste System Facility if the Regional Recovery Rates corresponding to each calendar year set forth on the following schedule had been achieved:

<u>Year</u>	<u>Regional Recovery Rate</u>
<del>1999</del>	<del>43%</del>
<del>2000</del>	<del>46%</del>
<del>2001</del>	<del>48%</del>
<del>2002</del>	<del>50%</del>
<del>2003</del>	<del>52%</del>
<del>2004</del>	<del>54%</del>

The result of such calculation by the Chief Operating Officer shall be used to determine the excise tax rate under sub-section (e)(1).

(g) (1) A solid waste facility which is licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(e)(1) for disposal of Processing Residuals from such facility. The Facility Recovery Rate shall be calculated for each ~~six (6)~~ **twelve (12)** month period before the month in which the credit is claimed. Such credit shall be dependent upon the Facility Recovery Rate achieved by such facility and shall be ~~equal to the amount resulting from reducing the Excise Tax due by the amount corresponding with the Facility Recovery Rates~~ **no greater than as provided on the following table:**

Excise Tax Credit Schedule		
Facility Recovery Rate		Excise Tax
From	Up To &	Credit of no more than
Above	Including	
0%	30%	0.00
30%	35%	1.92
35%	40%	2.75
40%	100%	3.51

- (2) During any Fiscal Year, the total aggregate amount of excise tax credits granted under the provisions of this subsection shall not exceed the dollar amount budgeted for such purpose without the prior review and authorization of the Metro Council.
- (3) The Chief Operating Officer may establish procedures for administering the Excise Tax Credits set forth in sub-section (g)(1), including, but not limited to establishing eligibility requirements for such credits and establishing incremental Excise Tax Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (g)(1).

SECTION 2. Metro Code Section 7.01.023 is amended as follows:

Commencing September 1, ~~2004,~~ 2006, the additional excise tax authorized in Section 7.01.020(c) shall be ~~\$3-~~ \$3.14 per ton. ~~Of such additional excise tax, \$2.50 per ton shall be dedicated to funding Metro's Regional Parks and Greenspaces programs, and \$0.50 per ton shall be dedicated to funding Metro's Tourism Opportunity and Competitiveness Account.~~ For each fiscal year following fiscal year ~~2004-05-2006-07~~, the additional excise tax ~~dedicated to Metro's Regional Parks and Greenspaces programs and Metro's Tourism Opportunity and Competitiveness Account~~ shall be not less than the amount of the additional excise tax in the previous fiscal year increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Salem (All Urban Consumers) reported for the first six (6) 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, or such lesser amount as the Chief Operating Officer deems appropriate ~~and shall be effective as of September 1<sup>st</sup> each year unless another effective date is adopted by the Metro Council.~~

SECTION 3. Metro Code Section 7.01.028 is amended as follows:

7.01.28 Budgeting of Excess Revenue

Commencing with the Metro fiscal year beginning July 1, 2000, and each year thereafter, if the tax revenues collected under the tax rate imposed by Section 7.01.020 (e) exceed the net excise tax revenue amount set forth in Section 7.01.020 (d) as adjusted by Section 7.01.022, such additional revenue shall be apportioned as follows:

(a) Such excess net excise tax revenue shall first be placed in a Recovery Rate Stabilization Reserve established in the Metro General fund. The amount of excess net excise tax revenues in such account shall not exceed an amount equal to 10 percent of the total amount of excise tax collected under Metro Code ~~Section 7.01.020(e)~~ Chapter 7.01 during the period of the two (2) most recent Metro fiscal years. The budgeting or expenditure of all such funds within this account shall be subject to review and approval by the Metro Council.

(b) If at the end of any fiscal year, the maximum permitted balance for the Recovery Rate Stabilization Account has been reached, during the following fiscal year any additional excess net excise tax revenues shall be used to increase the tax credit provided under Metro Code Section 7.01.020(g) for any solid waste facility that has achieved a Facility Recovery Rate greater than 45%. Such excess revenue shall be used on a dollar-for-dollar basis to reduce the tax liability of all such qualifying facilities. The amount of the additional tax credit shall not exceed the total excise tax otherwise due from the facility under this chapter.

(c) Any remaining excess revenue over the amounts apportioned in subsections (a) and (b) of this section shall be placed in the account established in subsection (a).

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

\_\_\_\_\_  
David Bragdon, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Council Clerk Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 06-1116, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.01 RELATING TO THE METRO SOLID WASTE EXCISE TAX

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Date: March 6, 2006

Prepared by Karen Feher

#### BACKGROUND

One of the main purposes of this legislation is to align the Metro Excise Tax Code with Metro Financial Policies and the intent of the consolidation of the General Fund. By way of background on these issues, the FY 2005-06 Budget introduced changes in both process and presentation in order to provide greater transparency, provide stronger adherence to Financial Policies and dovetail with the Council's strategic planning process. This action is a continuation of those changes as well as accomplishing necessary housekeeping changes to Metro Code Chapter 7.01.

Over the years, Metro's growth has involved taking on unique activities that are deemed regional in nature. During that process Metro tacked on each of those activities budgetarily by creating separate Budget Funds for each activity. This was partially done to meet funding restrictions for those new activities or allow for time to decide or formalize permanent acceptance of the activities. The need for maintaining separate funds no longer exists, therefore, effective July 1, 2005 Metro combined all discretionary budgetary funds into one fund in order to more effectively accomplish the following:

- Provide fiscal and budgetary transparency
- Emphasize agency programs rather than department budgetary funds
- Relate programs to Council objectives
- Enable flexibility in setting of priorities for the overall agency as well as funding those priorities.

This was the first step in changing Metro's operational culture of separate department activities by setting Council priorities and constructing programs that meet those priorities. A natural outcome of these actions is to review performance measures to insure outcomes that are consistent with Metro Council goals and to review financial policies to insure consistency with generally accepted practices and Metro existing policies.

A review of the Excise Tax code demonstrated some inconsistencies with Metro's financial policies and evident constraints on the Metro Council's flexibility to meet the changing needs of Metro's programs. When a per-ton Excise Tax was provided to Regional Parks for funding Parks operations, and later to establish a Metro Tourism Opportunity and Competitiveness Account for MERC, those provisions were written into Metro Code. This action takes away those dedications in compliance with Metro's existing financial policies. The Council would make the distribution of Excise Tax each year during the budget process.

As the budget continues to consolidate and financial management of Metro continues to evolve, the review of this portion of excise tax code revealed that that funds accumulated by the Recovery Rate Stabilization Reserve should be tied to the broader goals of the entire agency. Therefore, the section of the Code that establishes an amount not to exceed in the Recovery Rate Stabilization is broadened to include all Excise Tax generated by Metro. (7.01.028(a))

## Staff Report for Ordinance 06-6111

The housekeeping changes to this code are as follows:

- Sets the effective date of the new Excise Tax per ton rate to coincide with any other changes to the Solid Waste rates on September 1 of each fiscal year. (7.01.020(e)(1))
- Extend the Regional Recovery Rate used in the per-ton calculation to 2009. This Recovery rate is calculated by a linear interpolation of State goals, less the six percent recovery percentage points awarded for Metro's current waste reduction programs. (7.01.020(f)(1))
- The following two changes make the calculation of excise tax credits consistent with the Regional System Fee Credits (RSF) and current practice. These actions provide for administrative consistency between both the Regional System Fee and Excise Tax credit programs:
  - Authorize administrative procedures for excise tax credits that include establishing eligibility requirements, and interpolating credits between recovery rates. The existing language does not allow for degrees of recovery therefore discouraging the motivation to do any recover over the current step until the next higher step can be reached. (New section 7.01.020(g)(3))
  - Change the basis of recovery rate calculation from six months (rolling sum) to twelve months.

### ANALYSIS/INFORMATION

1. Known Opposition: None known
2. Legal Antecedents: This amends the Metro Code Chapter 7.01
3. Anticipated Effects.
  - a. Provides consistency with Financial Policies
  - b. Provides Council greater flexibility in budgeting and strategic planning
  - c. Accomplishes housekeeping changes for consistency with other portions of the Metro Code.
4. Budget Impacts. This action places into code the change of the Excise Tax rate to September 1<sup>st</sup>. For the past several years that date has been used so this makes the Code consistent with practice. This action does not change the rate of or calculation of the Excise Tax per-ton rate but rather moves the dedication of those funds from Code to the Budget. Finally this action expands the section of the Code that establishes an amount not to exceed in the Recovery Rate Stabilization to include all Excise Tax generated by Metro. (7.01.028(a)) This change increases that amount from \$1,865,160 to \$2,408,397 in FY 2005-06.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE ) RESOLUTION NO. 06-3680  
YEAR 17 METRO AND LOCAL )  
GOVERNMENT ANNUAL WASTE ) Introduced by Michael Jordan, Chief  
REDUCTION PLAN (FISCAL YEAR 2006-07) ) Operating Officer, with the concurrence of  
 ) David Bragdon, Council President

WHEREAS, the Metro and Local Government Annual Waste Reduction Plan has been a significant part of the Region's waste reduction and recycling programs for the past 16 years in order to attain state-mandated regional recovery goals (OAR 340-90-050); and

WHEREAS, the Annual Waste Reduction Plan serves as an implementation tool for the Regional Solid Waste Management Plan; and

WHEREAS, the Annual Waste Reduction Plan, in its 17<sup>th</sup> year, continues to be one of the primary mechanisms for Metro and local governments to establish, maintain and improve recycling and waste reduction efforts throughout the Region; and

WHEREAS, the means of implementing these waste reduction tasks is through the Annual Waste Reduction Plan, which is adopted by Metro and local governments and defines the work to be completed in the region; and

WHEREAS, a cooperative process for formulating the Year 17 Waste Reduction Plan was used by Metro and local governments and ensures a coordinated regional effort to reduce waste; and

WHEREAS, the Year 17 Waste Reduction Plan is written to be consistent with the revised goals and objectives in the Interim Waste Reduction Plan which Council directed staff to develop at its work session on July 5, 2005; and

WHEREAS, the Waste Reduction Plan funding distribution to local governments for the maintenance section programs is a revenue-sharing program that is tied to adherence to the plan and satisfactory completion of work plan elements; and

WHEREAS, the Waste Reduction Plan grants are funded in the 2006-07 budget; and

WHEREAS, the Year 17 Waste Reduction Plan has been reviewed by the Solid Waste Advisory Committee; and

WHEREAS, the resolution was submitted to the Council President for consideration and was forwarded to the Council for approval; now therefore,

BE IT RESOLVED, that the Metro Council approves the Year 17 Metro and Local

Government Annual Waste Reduction Plan (attached hereto as Exhibit “A”) and supports increased efforts to reduce waste in the Metro region.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

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David Bragdon, Council President

Approved as to Form:

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Daniel B. Cooper, Metro Attorney

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**2006-2007 (Year 17)  
Metro and Local Government  
Annual Waste Reduction Work Plan**  
March 2, 2006

**I. Introduction**

Since 1990, Metro and its local government partners have developed cooperative plans to implement the region's waste reduction programs as structured by the Regional Solid Waste Management Plan (RSWMP).

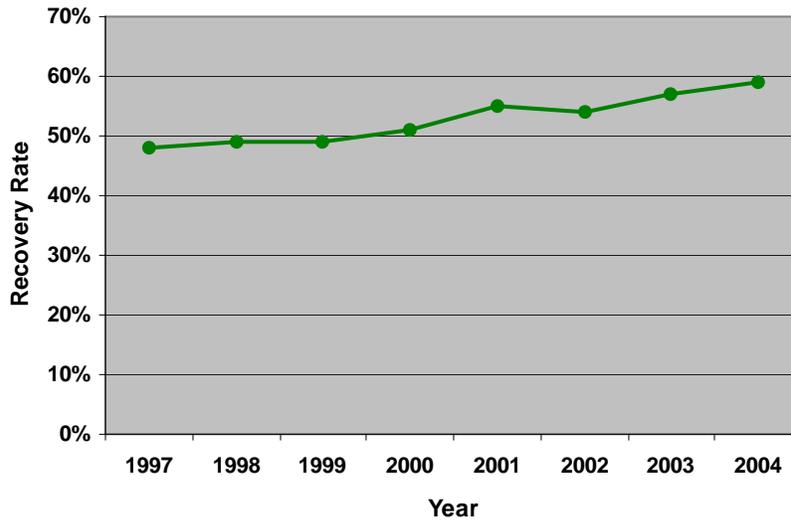
The Annual Waste Reduction Work Plan is the primary means by which Metro and local governments plan for waste reduction programs, projects and activities. Plans are developed on an annual basis by regional work groups and reviewed by stakeholder groups and policymakers.

In 2004, the Metro region reached a 59 percent waste reduction rate, as reported by the Oregon Department of Environmental Quality. This rate includes 6 percent credits due to waste prevention, reuse and composting programs, in addition to a calculated recovery rate of 53 percent from recycling and yard debris collection activities. The rate grew two percentage points, or 158,000 tons, over 2003.

The chart below depicts the growth in waste reduction in the Metro region from 1997 through 2004 (the most recent year for which we have data). The rate was relatively flat in the late 1990s, but then picked up, reflecting a booming economy and increased attention to recycling, especially in the commercial sector (businesses, building industry, and commercial organics). The economy was poor in 2002 and the rate remained flat. Further increases in 2003 and in 2004 have yielded a waste reduction rate of 59 percent.

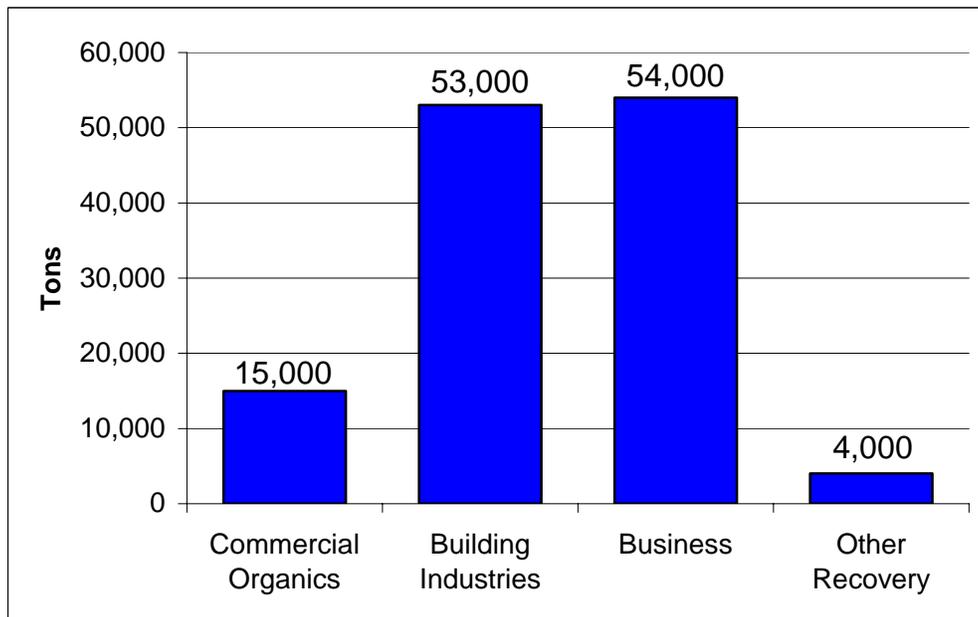
Recovery grew the greatest between 2003 and 2004 in the material categories of paper, scrap metal, yard trimmings and wood, which together accounted for 87 percent of the 158,000-ton increase.

### Regional Waste Reduction Rate 1997 - 2004



Based on these trends and given projected waste generation data, the region will need to recover an additional 126,000 tons in 2005 to meet its waste reduction goal of 62 percent. Of this needed new recovery, virtually equal amounts are needed from the business and the building industry sectors (43 and 42 percent, respectively). Another 12 percent is needed from the commercial organics sector and 3 percent from the “other” category, which includes increased residential recycling, drop-off depot and Bottle Bill recovery.

### New Recovery Needed to Meet 62% Recovery Goal by 2005



## **II. Plan Structure & Format**

The Annual Work Plan is divided into two areas:

- Regional Program Areas
- Maintenance of Existing Programs

The Regional Program Areas are regionally coordinated work plans that address specific sectors in the region with the potential for significant additional recovery (e.g., Multi-family Residential, Business, Building Industry, Commercial Organics). These plans address the individual needs, barriers and particular circumstances affecting each sector and provide specific action steps, staffing and budgets for achieving the larger objectives within the RSWMP. This annual planning process allows for a flexible and more rapid response to changing conditions, enables the region to quickly phase out those tasks that prove less effective, and allows for shifting efforts and resources between areas as the need arises.

Maintenance of Existing Programs focuses on supporting existing and established local and regional waste reduction and recycling programs through per capita grants to local governments. Significant progress in waste reduction and recycling has been made over past years through these existing programs. In order to maintain these successes, established programs must continue to be funded, staffed and maintained at the same time that new initiatives are introduced. The funding assistance provided to local jurisdictions to maintain existing programs is allocated on a per capita basis.

## **III. Compliance with State Law and the Regional Solid Waste Management Plan**

All local jurisdictions are required to comply with the provisions set forth in State Law (OAR 340-090-0040 and ORS 459A), in addition to compliance with the RSWMP. Metro has been designated by the State as the reporting agency for the region's three-county area, and local jurisdictions provide data to Metro to assist with this annual reporting responsibility. Metro will review Annual Reports for compliance with state law. Those programs that appear to be out of compliance will be reviewed with the local jurisdiction and if not resolved satisfactorily, will be referred to DEQ for further action.

## **IV. Regional Program Areas**

For 2006-07, the Regional Program Areas to receive the majority of effort and focus are Multi-family Residential, Business, Building Industry, and Commercial Organics. Waste composition data indicate that these program areas are rich in as-yet un-recovered recyclable materials. (Appendix A).

These program areas form the core of the work and activities to be implemented in the region. Each of the programs was identified as needing intensive, focused

planning and implementation efforts over the next few years. While single-family residential programs are also important, they are relatively mature with high levels of recovery. A campaign to educate residents on how to properly prepare materials will be undertaken in 2006-07 to reinforce current behaviors and encourage ongoing participation.

**V. Maintenance of Existing Programs**

The objectives of the maintenance section are to maintain and increase recovery through existing local government waste reduction and recycling programs; to provide an incentive for local governments to participate in regional waste reduction planning activities; and to continue to ensure the region is meeting (and exceeding) required state program elements for waste reduction and recycling programs.

The maintenance program format is intentionally simple and straightforward. Local governments will submit an overview of existing programs in place, detailing the outreach, education and collection programs currently implemented and the efforts they will engage in to maintain these programs. This will provide a comprehensive regional picture of existing programs in place. The plan format outline is presented in Appendix B.

For jurisdictions receiving \$100,000 or more in funding allocations, additional reporting and a different disbursement method is used. Funding is released in two allotments; the first half upon signature of the Intergovernmental Agreement, and the second after receipt of a satisfactory interim progress report is received and approved by Metro. The intent is to more closely monitor the funds and to provide a greater degree of accountability for large allocations.

**VI. Monitoring and Evaluation**

The Regional Program Areas and Maintenance of Existing Programs sections of the annual plan each have independent progress measurement and reporting scenarios tied to the specific tasks involved. These performance measures, combined with the annual DEQ Material Recovery Survey Report, will be used to assess progress.

Regional Program Areas

Monitoring and evaluation methods have been developed for each area and are incorporated into the individual plans.

Maintenance of Existing Programs

Annual reports documenting efforts completed by local governments in the previous fiscal year will be submitted to Metro no later than August 1, 2007. Reports will detail each task's actual implementation date, as well as relevant status reports, changes and noted results. These annual reports serve as the

basis for monitoring the status of existing programs and progress with regard to the RSWMP, as well as required annual reporting to the Oregon Department of Environmental Quality.

The maintenance efforts will also be reviewed and evaluated for accountability and effectiveness. These measures include:

- Local governments will identify and undertake a specific curbside recycling outreach activity for an existing local government program.
- Local government representatives will participate in at least one regional waste reduction planning group (larger jurisdictions will tend to participate in more than one group).
- Local governments will provide jurisdictional solid waste and recycling budget information to Metro.
- The region maintains or increases curbside recovery levels (total tons and per capita tons recovered and disposed).

*Note: The structure of the performance measures will be revisited after the RSWMP revision is complete.*

## APPENDIX A

### REGIONAL PROGRAM AREA PLANS

#### Overview

These program areas form the core of the work and activities to be implemented in the region. Each of the programs was identified in the Interim Waste Reduction Plan as needing intensive, focused planning and implementation efforts over the next few years. Below is an overview of the major objectives of each area. (Due to the size of the complete detailed plans and in the interest of waste reduction, they have not been included with this draft. Electronic or hard copies are available upon request from Jennifer Erickson, (503) 797-1647 [ericksonj@metro.dst.or.us](mailto:ericksonj@metro.dst.or.us).)

#### Multi-family Program Objectives

- Implement a program suited to the needs of multi-family housing that is uniform and consistent throughout the region.
- Provide regional education and outreach targeting multi-family housing.
- Identify and evaluate new collection technologies for implementation on a cooperative regionwide basis.

#### Business Program Objectives

- Provide businesses with education and technical assistance programs focused on waste reduction and sustainable practices.
- Develop information and resource materials that demonstrate the benefits of waste reduction and sustainable practices to support the assistance program.
- Conduct regional outreach campaigns to increase participation in the business assistance program and to promote recycling opportunities and other sustainable practices.
- Implement waste reduction and sustainable practices at government facilities.
- Identify opportunities for increasing recovery, including service provision options and incentives for recycling.
- Periodically review end-use markets to assess cost-effectiveness, material quality and capacity.
- Identify and evaluate regulations to increase recovery in the business sector.

#### Building Industry Program Objectives

- Develop a regionwide system to ensure that recoverable construction and demolition debris is salvaged for reuse or is recycled.
- Provide the building industry with outreach, education and technical assistance programs that demonstrate the benefits of green building, including building material reuse and recycling.
- Include sustainable practices and products in the development, construction, renovation and operation of government buildings, facilities and lands.

- Support the development of and access to viable end-use markets for construction and demolition materials.

Commercial Organics Program Objectives

- Provide focused outreach and education programs for targeted businesses to support and increase organic waste prevention, donation and diversion practices.
- Enhance access to organics recovery services throughout the region.
- Implement organic waste recovery programs and government facilities where feasible.
- Work to ensure that compost products are specified for use in government projects.
- Periodically review the viability of end-use markets and assist with market development efforts.

## **APPENDIX B**

### **MAINTENANCE OF EXISTING PROGRAMS**

#### **1. Program Overview Narrative**

This section of the plan provides a more descriptive and encompassing overview of the range of local government waste reduction and recycling programs being implemented throughout the region and the principles behind them. This section also includes a description of local government participation in regional planning efforts.

#### **2. Budget Information**

Local governments provide information about their total solid waste budget and what portion of the budget comes from the per capita maintenance funds.

#### **3. Maintenance Program Tasks**

The third section of the Annual Work Plan consists of tables listing specific tasks, outreach or other efforts planned for completion in each program area during the fiscal year. These program areas are parallel with those laid out in the Interim Waste Reduction Plan:

- **Single-family Residential** (including home composting)
- **Multi-family Residential**
- **Business**
- **Building Industry**
- **Commercial Organics**
- **Education Services**
- **Hazardous Waste Management**
- **Other/Special Events**

Each program area task also includes a status notation that identifies whether this particular program or activity is primarily ongoing (minor administrative updates and changes only), revised (major program policy or implementation adjustments) or new (brand new program, or substantially revised or reconstituted). This notation is to assist Metro in collecting data for annual reporting to the Department of Environmental Quality on the region's activities.

The completed work plan template is due to Metro no later than June 1, 2006. Funding is contingent upon the receipt of a complete and detailed plan as well as a satisfactory Annual Report of fiscal year 2005-06 activities due on August 1, 2006.

**YEAR 17 (FY 2006-07) LOCAL GOVERNMENT ANNUAL WORK PLAN TEMPLATE**  
**MAINTENANCE OF EXISTING PROGRAMS**

To be completed by local governments:

**I. Program Overview Narrative**

Please provide a narrative overview of programs, services and focus areas for FY 2006-07. Also include information on participation in regional planning efforts.

**II. Budget Information**

Provide overall solid waste & recycling budget and percentage of Metro per capita maintenance funds contributing to these efforts.

**III. Annual Program Tasks**

Complete the following tables listing specific efforts planned for completion during this fiscal year. Identify whether the particular program or activity is primarily ongoing (O), revised (R) or new (N).

Single-family Residential (Includes home composting)	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Status Key:

O = Ongoing (minor administrative updates and changes only.)

R = Revised (major program policy or implementation adjustments.)

N = New (brand new program, or substantially revised or reconstituted.)

Multi-family Residential	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Business	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Building Industry	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Commercial Organics	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Education Services	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Hazardous Waste Management	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

Other/Special Events	
Tasks	Status
1.	
2.	
3.	
4.	
5.	

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3680, FOR THE PURPOSE OF APPROVING THE YEAR 17 METRO AND LOCAL GOVERNMENT ANNUAL WASTE REDUCTION PLAN (FISCAL YEAR 2006-07)

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Date: March 6, 2006

Prepared by: Jennifer Erickson

### BACKGROUND

Since 1990, Metro and its local government partners have developed cooperative plans to implement the region's waste reduction and recycling programs. These plans are key implementation tools for the Regional Solid Waste Management Plan (RSWMP).

The Annual Waste Reduction Plan is the primary means by which Metro and local governments plan for waste reduction and recycling programs, projects and activities. Plans are developed on an annual basis by regional work groups and reviewed by stakeholder groups and policy makers.

The Annual Plan is divided into two areas:

- Regional Program Areas
- Maintenance of Existing Programs

The Regional Program Areas are regionally coordinated work plans that address specific sectors of the region (e.g., Multi-family Residential, Business, Building Industry, Commercial Organics). These plans are designed to address the individual needs, barriers and particular circumstances affecting each sector. These program area work plans provide specific action steps, staffing and budgets for achieving the larger objectives within the RSWMP. This annual planning process allows for a flexible and more rapid response to changing conditions, enables the region to quickly phase out those tasks that prove less effective, and allows for shifting efforts and resources between areas as need arises.

Maintenance of Existing Programs focuses on supporting existing and established local and regional waste reduction and recycling programs through per capita grants to local governments. Significant progress in waste reduction and recycling has been made over past years through these existing programs. In order to maintain these successes, established programs must continue to be funded, staffed and maintained at the same time that new initiatives are introduced. The funding assistance provided to local jurisdictions to maintain existing programs is allocated on a per capita basis. Each jurisdiction receives an allocation based upon its percent of the region's total population.

The Regional Program Areas and Maintenance of Existing Programs sections of the annual plan each have independent progress measurement and reporting scenarios tied to the specific tasks involved. These performance measures, combined with the annual DEQ Material Recovery Survey Report, will be used to assess progress.

Solid Waste Advisory Committee (SWAC) Review: The plan has been referred to SWAC at the March 23, 2006 meeting.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

There is no known opposition.

### **2. Legal Antecedents**

ORS 459A "Opportunity to Recycle Act" requires "that the city, county or metropolitan service district responsible for solid waste management" provide recycling services, public education programs, and contribute to the statewide solid waste recovery goals. OAR 340-90-040 sets forth the administrative requirements for such programs. In response to state requirements and more aggressive regional goals, Metro developed a Regional Solid Waste Management Plan adopted by Council via Ordinance 95-624, "For the Purpose of Adopting the Regional Solid Waste Management Plan." The Annual Waste Reduction Plan, adopted by resolution is a key implementation tool to fulfill the objectives of the Regional Solid Waste Management Plan.

### **3. Anticipated Effects**

This resolution will approve the format and framework for the Metro and Local Government Annual Waste Reduction Plan. This enables local jurisdictions to complete their portion of the plan and for Metro and local jurisdictions to begin the annual waste reduction program implementation process.

### **4. Budget Impacts**

A total of \$2,110,907 has been proposed in the FY 2006-07 draft budget for this program:

\$655,907 for Maintenance of Existing Programs  
\$1,455,000 for the Waste Reduction Initiatives (\$130,000 Multi-family, \$270,000 Building Industry, \$792,000 Business, and \$263,000 Commercial Organics programs.)

## **RECOMMENDED ACTION**

Staff recommends the Chief Operating Officer approve Resolution No.06-3680.

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BEFORE THE METRO CONTRACT REVIEW BOARD

CONSIDERING AN AMENDMENT TO	)	Resolution No. 06-3679
METRO CONTRACT NO. 926981, FOR	)	
METRO CENTRAL TRANSFER STATION	)	Introduced by Chief Operating Officer
COMPACTOR #2 REFURBISHMENT	)	Michael J. Jordan, with the concurrence of
	)	Council President David Bragdon
	)	
	)	

WHEREAS, Metro operates two waste collection and transfer facilities; and

WHEREAS, operation of those transfer facilities requires substantial investment in specialized equipment; and

WHEREAS, one of those investments is for equipment used to compact of solid waste for transfer to the landfill; and

WHEREAS, a contract for refurbishment of Compactor #2 at Metro Central Transfer Station is executed based on a special procurement process that authorizes exploratory examination of Compactor #2 for the purposes of refurbishment in lieu of replacement;

WHEREAS, pursuant to Metro Code Section 2.04.058(b)(2), Council approval is required for any public contract amendment that increases the contract amount more than \$25,000; and

WHEREAS, the proposed amendment is for \$233,500; and

WHEREAS, this resolution was submitted to the Chief Operating Officer for consideration and was forwarded to the Council for approval; now therefore

BE IT RESOLVED

1. That the Metro Council authorizes the Chief Operating Officer to amend Contract 926981 for Metro Central Transfer Station Compactor #2 refurbishment in a form substantially similar to that attached as Exhibit A.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
David Bragdon, Council President

Approved as to Form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

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## **STAFF REPORT**

### **RESOLUTION 06-3679: CONSIDERING AN AMENDMENT TO METRO CONTRACT NO. 926981, FOR METRO CENTRAL TRANSFER STATION COMPACTOR #2 REFURBISHMENT**

Date: March 2, 2006 Prepared by: David Biedermann

## **BACKGROUND**

Recently the Council was alerted by memo of a substantial contract to refurbish the Compactor #2 at the Metro Central Transfer Station that presented some contractual challenges in identifying the costs and direction of the work. (See attached.)

The thrust of that memo is that should Solid Waste staff determine it is economically feasible and appropriate to proceed with Phases 2 (\$109,000) and 3 (\$124,500) and more extensive repairs of Compactor #2, Council would be asked to authorize an amendment to the contract for the amounts related to those phases.

To avoid interruption should that determination be made, staff is asking Council to amend this contract to allow the immediate continuation of work at the site. To assure continuity in the refurbishment process (and avoid additional mobilization costs due to an interruption in Metro authorization to proceed), staff is asking for Council approval of Resolution 06-3679 for Amendment #1 to Metro Contract 926981 for \$233,500.

Staff expects the cylinders will be salvageable and will be removed and transported to the contractor's repair facility. This work can be carried out immediately following the inspection performed in Phase 1. It is imperative staff has the latitude to authorize the contractor to proceed with Phase 2 the same day Phase 1 is completed. Delay for change order processing will require that the compactor be reassembled and the work crews and rental equipment be returned. The result will be increased costs for the re-mobilization to remove the cylinders at a later date when Phase 2 authorization has been obtained. A similar situation will occur as we move from Phase 2 to Phase 3. As soon as the work of Phase 2 reaches the point that we know the cylinders' eventual size and repaired condition, we will be deciding on the course of action with respect to Phase 3.

At the same time, should the equipment be determined as unsalvageable for future use, Metro clearly reserves the contractual right to terminate the contract and end the refurbishment at the end of Phases 1, 2 or 3.

The work to be performed during Phase 1 of the project is the bare minimum that the contractor will complete. This phase is for the purpose of verifying the hydraulic cylinders and rods are not beyond repair. In a worst case scenario, if they are beyond repair, then the contractor will be directed to reinsert the rods and stop further work. The dollar amount in Phase 1 is the cost for this minimum scope. It includes the contractor's costs for mobilizing crews, equipment rental, and their payment bond costs. These costs are incurred regardless of the eventual scope of work completed.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro Code 2.05.058 (b)
3. **Anticipated Effects:** Execution of the contract for these services
4. **Budget Impacts:** This contract is budgeted in FY05-06.

**RECOMMENDED ACTION:** The Chief Operating Officer recommends approval of Resolution 06-3679

# M E M O R A N D U M

600 Northeast Grand Avenue | Portland, Oregon 97232-2736  
(tel) 503-797-1589 | (fax) 503-797-1909



METRO

Resolution No. 06-3679  
Attachment 1

February 17, 2006

**To:** Metro Council  
**Cc:** Mike Jordan, Chief Operating Officer  
**From:** David Biedermann, Contracts Manager  
**Subject:** Information concerning a contract for  
Refurbishment of Metro Central Compactor #2

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The Metro Solid Waste and Recycling Department prepared a request for proposals in the fall of 2005 to contract for refurbishing compactor #2 at the Metro Central Transfer Station. This project is particularly complex in that it requires significant expertise in hydraulics and machinery repair and the extent and cost of the repairs to the compactor are discoverable only through a complicated reiterative disassembly and evaluation process.

Substantial dismantling work must be done to investigate the conditions of internal components of the compactor. Evaluation is then done to determine the cost benefit of doing the known repairs. To determine whether to proceed further requires more dismantling. At any point the cost benefit is deemed negative, refurbishment ceases, the machine is reassembled and long-range plans are made for full replacement.

Traditional contracting proposal methods of defining the problem scope and requesting cost proposals were not likely to achieve the best value for Metro and the project. The pattern of investigating the unknown issues must be done at a number of points before a decision can be made on the merits and costs of proceeding. Contractors will price their work to ensure that stopping at any disassembly point will still return a profit, which removes the flexibility of Metro staff in making cost effective decisions.

Procurement Services and Solid Waste and Recycling staff discussed the public contracting methods that lend themselves to a project such as this. The decision is that the most responsive process likely to return the best value is based on the use of an existing Special Procurement (Metro Code 2.04.053 (a) (11)); "Contracts for equipment repair or overhaul, but only when the service and/or parts required are unknown before the work begins and the cost cannot be determined without extensive preliminary dismantling or testing."

Nine vendors were contacted with four indicating interest in participating in interviews. During the first round of interviews, the four companies were examined on experience of the firm and individuals involved, their proposed plan and approach to the project, and

their inspection and evaluation sequence. Two firms, SSI Shredding Systems and Team Hydraulics, were invited back for subsequent interviews and discussions of project cost. Team Hydraulics was selected and a contract was awarded that is split into four phases. Only the first phase is authorized for \$28,000. Subsequent work can proceed only with Metro Solid Waste staff authorization.

The estimated cost for Phase 2 is \$109,000, and for Phase 3 \$124,500. The total of Phases 1-3 is \$261,500.

Should Solid Waste staff determine it is economically feasible and appropriate to proceed with Phase 2 (and subsequently Phase 3) and more extensive repairs of Compactor #2, Council will be asked to authorize an amendment to the contract for the amount related to that phase.

This step is required because, while the total amount of potential cost is identified, the actual authorized contract is for a maximum of \$28,000. Authority to increase that contract more than \$5,600 (20% of the original contract) rests with the Metro Contract Review Board.

No expenses above the Phase 1 cost of \$28,000 (other than the \$5,600 amendment limit) will be authorized without Council approval.

If you have any questions, feel free to call me at extension 1605.