



METRO

Agenda – Revised 6/20/07

MEETING: METRO COUNCIL
DATE: June 21, 2007
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(d), Dull
FOR THE PURPOSE OF DELIBERATING WITH PERSONS
DESIGNATED TO CONDUCT LABOR NEGOTIATIONS

2. CITIZEN COMMUNICATIONS

3. STATE OF OREGON SUSTAINABILITY AWARD Bradbury

4. SLATE OF NORTH PORTLAND ENHANCEMENT COMMITTEE Blauer
GRANT PROJECTS

5. CONSENT AGENDA

5.1 Consideration of Minutes for the June 14, 2007 Metro Council Regular Meeting.

5.2 **Resolution No. 07-3802**, For the Purpose of Committing Metro South and Metro Central Transfer Stations to Achieve and Report on Dry Waste Material Recovery Standards for Specified Loads.

6. ORDINANCES – SECOND READING

6.1 **Ordinance No. 07-1144B**, Adopting the Annual Budget for Fiscal Year 2007-08, Making Appropriations, Levying Ad Valorem Taxes, and Declaring an Emergency. Bragdon

6.2 **Ordinance No. 07-1147**, Amending Metro Code Chapters 5.01, 5.02, 5.05, and 7.01 to Ensure that All of the Region's Non-Putrescible Waste Undergoes Material Recovery Prior to Disposal, to Eliminate the Regional System Fee and Excise Tax Credit Program, and to Make Related Changes. Harrington

6.3 **Ordinance No. 07-1149**, For the Purpose of an Ordinance Confirming the Re-Adoption of Metro Code 7.03 (Investment Policy) and Declaring an Emergency. Harrington

6.4 **Ordinance No. 07-1156**, For the Purpose of Amending the FY 2006-07 Budget and Appropriations Schedule Providing Additional Appropriation Authority for Zoo Operations and MERC Operations; and Declaring an Emergency. Newman

7. RESOLUTIONS

7.1 **Resolution No. 07-3795**, For the Purpose of Adopting the Capital Budget for Fiscal Years 2007-08 through 2011-12. Park

7.2 **Resolution No. 07-3804**, For the Purpose of Entering an Order to Waive the Deadline for Filing an Application for a Major Amendment to the Urban Growth Boundary by the City of Cornelius. Harrington

8. CHIEF OPERATING OFFICER COMMUNICATION

9. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for June 21, 2007 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 -- Community Access Network www.tvctv.org -- (503) 629-8534 2 p.m. Thursday, June 21 (live)</p>	<p>Portland Channel 30 (CityNet 30) -- Portland Community Media www.pcmtv.org -- (503) 288-1515 8:30 p.m. Sunday, June 24 2 p.m. Monday, June 25</p>
<p>Gresham Channel 30 -- MCTV www.mctv.org -- (503) 491-7636 2 p.m. Monday, June 25</p>	<p>Washington County Channel 30 -- TVC-TV www.tvctv.org -- (503) 629-8534 11 p.m. Saturday, June 23 11 p.m. Sunday, June 24 6 a.m. Tuesday, June 26 4 p.m. Wednesday, June 27</p>
<p>Oregon City, Gladstone Channel 28 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.</p>	<p>West Linn Channel 30 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.</p>

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 and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

MINUTES OF THE METRO COUNCIL MEETING

Thursday, June 14, 2007
Metro Council Chamber

Councilors Present: Rod Park (Deputy Council President), Kathryn Harrington, Robert Liberty, Rex Burkholder, Carl Hosticka, Brian Newman

Councilors Absent: Council President Bragdon (excused)

Council President Bragdon convened the Regular Council Meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. CONSENT AGENDA

3.1 Consideration of minutes for the June 7, 2007 Metro Council Regular Meeting.

3.2 **Resolution No. 07-3818**, For the Purpose of Amending the FY 2007-08 Unified Planning Work Program (removed from consent agenda).

3.3 **Resolution No. 07-3821**, For the Purpose of Approving a Sole Source Contract for a Performance Measurement Consultant.

Motion:

Councilor XXX moved to adopt the meeting minutes of the June 7, 2007 Regular Metro Council and Resolution No. 07-3821.
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Vote:

Councilors Burkholder, Harrington, Liberty, Newman, Hosticka, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.
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4. ORDINANCES – FIRST READING

4.1 **Ordinance No. 07-1156**, For the Purpose of Amending the FY 2006-07 Budget and Appropriations Schedule Providing Additional Appropriation Authority for Zoo Operations and MERC Operations; and Declaring an Emergency.

Kathy Rutkowski, Budget Manager, briefed the Council on the changes to Ordinance No. 07-1156.

Deputy Council President Park assigned Ordinance No. 07-1156 to Council.

5. ORDINANCES – SECOND READING

5.1 **Ordinance No. 07-1144A**, Adopting the Annual Budget for Fiscal Year 2007-08, Making Appropriations, Levying Ad Valorem Taxes, and Declaring an Emergency.

Motion to amend:	Councilor Liberty moved to amend Ordinance No. 07-1144A with Departmental Technical Amendments.
Seconded:	Councilor Newman seconded the motion

Vote to Amend: Councilors Hosticka, Burkholder, Harrington, Newman, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.

Motion to amend:	Councilor Burkholder moved to amend Ordinance No. 07-1144A with Department Substantive Amendments.
Seconded:	Councilor Harrington seconded the motion

Councilor Burkholder explained to the audience that the Council had been briefed extensively on the amendments so they were comfortable with moving these amendments in a block. Tax Supervision Conservation Commission (TSCC) had also reviewed Metro's proposed budget.

Councilor Liberty commented on Planning #13 amendment concerning Fair Growth and Farmlands. This work would be carried forward within the context of the broader regional discussion.

Vote to Amend: Councilors Hosticka, Burkholder, Harrington, Newman, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.

Motion to amend:	Councilor Hosticka moved to amend Ordinance No. 07-1144A.
Seconded:	Councilor Liberty seconded the motion

Councilor Hosticka explained the nature of the amendment having to do with completing the reorganization of the Council Office. He urged support.

Vote to Amend: Councilors Hosticka, Burkholder, Harrington, Newman, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.

Deputy Council President Park opened a public hearing on Ordinance No. 07-1144A. No one came forward. Deputy Council President Park closed the public hearing.

Deputy Council President Park said final consideration of the budget would be June 21st.

6. RESOLUTIONS

6.1 **Resolution No. 07-3822**, For the Purpose of Confirming the Council President's Appointment of Yvonne J. McClain to the Metropolitan Exposition-Recreation Commission.

Motion:	Councilor Burkholder moved to adopt Resolution No. 07-3822.
Seconded:	Councilor Hosticka seconded the motion

David Woolson, Metropolitan Exposition Recreation Commission (MERC) Chief Executive Officer, introduced Yvonne McClain, nominee for MERC Commission. She had a very unique set of skills in the construction arena. Her company had many public projects. He felt MERC got lucky. Ms. McClain thanked the Council for believing that she would serve the MERC Commission well. She had been meeting with a multitude of individuals over the last month. Councilor Harrington provided some details for the viewing audience. She explained that MERC was Metropolitan Exposition Recreation Commission. She explained that MERC made sure that Oregon Convention Center (OCC), Expo and Portland Center for the Performing Arts (PCPA) were well taken care of. It was exciting time for Metro and MERC because they were investigating the possibility of having a headquarters hotel. Ms. McClain introduced her family. Commissioner Trotter added that he was very pleased with Ms. McClain's addition to the group. Deputy Council President Park pointed out that she could have a real impact on the economy of the region. He appreciated her lending her support to that goal. Councilor Burkholder welcomed her aboard.

Vote:

Councilors Hosticka, Burkholder, Newman, Harrington, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.
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3.3 **Resolution No. 07-3818**, For the Purpose of Amending the FY 2007-08 Unified Planning Work Program.

Motion:	Councilor Burkholder moved to adopt Resolution No. 07-3818.
Seconded:	Councilor Harrington seconded the motion

Councilor Burkholder explained the resolution changing the schedule for the Unified Planning Work Program. This action was based on the recommendation of Joint Policy Advisory Committee on Transportation (JPACT). JPACT had approved this resolution this morning by consent. This was to reprogram the resources and change the scheduled to allow for further analysis and refinement of state policies. The federal transportation plan must be adopted by March 8, 2008. He further detailed some of the changes, which included additional model runs.

Councilor Liberty was in favor of separating out these two processes, which did not mean that he endorsed the projects. Deputy Council President urged support.

Vote:

Councilors Hosticka, Burkholder, Newman, Harrington, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.
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6.2 **Resolution No. 07-3807**, For the Purpose of Entering an Order Relating to the Bradley K. and Cynthia J. Toman Claim for Compensation Under ORS 197.352 (Measure 37).

Motion:	Councilor Newman moved to adopt Resolution No. 07-3807.
Seconded:	Councilor Liberty seconded the motion

Deputy Council President Park indicated that this was a recommendation for dismissal. No staff was available to brief the Council.

Vote:

Councilors Hosticka, Burkholder, Newman, Harrington, Liberty, and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.
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7. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordan, COO, had nothing to share.

8. COUNCILOR COMMUNICATION

Councilor Burkholder reported on JPACT action this morning, which included approval of Resolution No. 07-3818. He also reported on Land Conservation and Development Commission (LCDC) meeting to update them about the Regional Transportation Plan. They laid out the 10 items they should know about our transportation plan. The staff presented the basic framework of the plan. They also spoke about the federal and state planning goals. They asked LCDC for a formal review.

Councilor Harrington briefed Council on the Metro Policy Advisory Committee (MPAC) meeting last night. They discussed the Enhanced Dry Waste Recovery Program, which passed unanimously as well as the waiver for the filing deadline for a major amendment for the City of Cornelius. Councilor Liberty had invited a speaker to MPAC. He spoke on Regional Planning and Collaboration.

Deputy Council President Park announced the open houses on the refinement plans for the Natural Areas Bond Measure. He encouraged citizens to attend. Councilor Liberty said citizens could provide input on line.

Councilor Liberty said they were concluding the Economic Speakers Series with Professor Robert Puentes on June 20th in the morning at Multnomah Athletic Club.

9. ADJOURN

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 2:37 p.m.

Prepared by

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
JUNE 14, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
3.1	Minutes	6/7/07	Metro Council Meeting Minutes of June 7, 2007	061407c-01
6.1	Revised title	6/14/07	Resolution No. 07-3822 , For the Purpose of Confirming the Council President's Appointment of Yvonne J. McClain to the Metropolitan Exposition-Recreation Commission.	061407c-02
4.1	Revised ordinance	6/14/07	Ordinance No. 07-1156 , For the Purpose of Amending the FY 2006-07 Budget and Appropriations Schedule Providing Additional Appropriation Authority for Zoo Operations and MERC Operations; and Declaring an Emergency.	061407c-03
5.1	FY 2007-08 Amendments	6/14/07	To: Metro Council From: Kathy Rutkowski, Budget Manager Re: FY 2007-08 Budget Summary of New Amendments Proposed for action June 14, 2007	061407c-04

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMMITTING METRO) RESOLUTION NO. 07-3802
SOUTH AND METRO CENTRAL TRANSFER)
STATIONS TO ACHIEVE DRY WASTE) Introduced by Councilors Kathryn Harrington
MATERIAL RECOVERY STANDARDS FOR) and Rod Park
SPECIFIED LOADS.)

WHEREAS, Metro is accountable for meeting state mandated waste recovery goals for the tri-county region; and

WHEREAS, the recovery of additional “dry waste” material generated by the building industry is a key component of achieving the state-mandated waste reduction goal of 64%; and

WHEREAS, Metro regulates private solid waste facilities in the region that accept dry waste; and

WHEREAS, Ordinance 07-1147 would require private solid waste facilities accepting mixed dry waste to ensure processed residual does not contain more than 15% of size-specified cardboard, wood and metal pieces by weight; and

WHEREAS, Metro owns two waste transfer stations that accept dry waste from commercial haulers and the public; and

WHEREAS, Metro has been a leader in implementing sustainable practices at the public facilities; and

WHEREAS, Metro Council desires Metro facilities to meet the standards proposed for private solid waste facilities in Ordinance 07-1147; and

WHEREAS, Metro accepts all types and sizes of incoming dry waste loads from both commercial haulers and independent self-haulers, while private facilities are free to choose which loads to accept or reject.

WHEREAS, this fundamental difference makes mixed dry waste loads received at the public facilities not strictly comparable in volume or composition to loads received at private recovery facilities; and

WHEREAS, for the purpose of comparing recovery performance between public facilities and private facilities, mixed dry waste loads delivered in loose drop boxes and self tipping vehicles at public facilities is most comparable to the types of loads accepted at private facilities; now therefore,

BE IT RESOLVED, the Metro Council directs staff to take appropriate steps to ensure that the contract operator of Metro South and Central transfer stations will consistently meet or exceed the recovery performance and reporting standards described in Ordinance 07-1147 for all dry waste received in loose drop boxes and self-tipping vehicles.

ADOPTED by the Metro Council this ____ day of June 2007.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 07-3802, FOR THE PURPOSE OF COMMITTING METRO SOUTH AND METRO CENTRAL TRANSFER STATIONS TO ACHIEVE AND REPORT ON DRY WASTE MATERIAL RECOVERY STANDARDS FOR SPECIFIED LOADS.

Date: June 21, 2007

Prepared by: Bryce Jacobson

BACKGROUND

Higher levels of material recovery from commercial sources are essential to achieving the region's 64% state-mandated waste reduction goal. Increased recovery of materials like wood, cardboard and metal from "dry waste" generated by the building industry is a key component of achieving this goal.

In 2003, a stakeholder study group examining options for increasing recovery from this sector recommended that Metro require processing of all construction and demolition debris loads for material recovery before landfilling. Metro Council then directed staff to develop such a program proposal.

Ordinance 07-1147, which establishes this region-wide dry waste recovery program, contains a new performance standard for material recovery applicable to all privately owned facilities receiving unprocessed dry waste. The new standard requires that residual from dry waste processing contain no more than 15% cardboard, wood and metal by weight (size- specified in the ordinance).

Data from 2006 residual assays show that most private facilities are already meeting this recovery standard. Both Metro facilities have also met the standard in most samples taken to date.

As a regional leader in implementing sustainable practices at its facilities, Metro declares its intent, through this resolution, to measure, report, and achieve the same recovery performance standard for private facilities contained in Ordinance 07-1147.

ANALYSIS/INFORMATION

1. **Known Opposition:** There is no known opposition to this resolution.
2. **Legal Antecedents:** ORS 268.317, Metro Code Chapters 5.01, 5.05, and the Metro Charter.
3. **Anticipated Effects:** Contracted operator at Metro's two transfer facilities achieves higher recovery levels for dry waste loads received in loose drop boxes and self-tipping vehicles.
4. **Budget impacts:** No direct impacts on Metro's budget. The resolution highlights the need for Metro staff to work with the Metro facility operator to identify and implement minor process changes and measure dry waste recovery performance at Metro's two transfer stations.

RECOMMENDED ACTION

The Chief Operating Officer recommends Metro Council approve Resolution 07-3802.

BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR) FISCAL YEAR 2007-08, MAKING) APPROPRIATIONS, LEVYING AD VALOREM) TAXES, AND DECLARING AN EMERGENCY)	ORDINANCE NO 07-1144B 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, 2007, and ending June 30, 2008; 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 2007-08 Metro Budget," in the total amount of FOUR HUNDRED SEVENTY ONE MILLION THREE HUNDRED NINETY TWO THOUSAND SIX HUNDRED EIGHTY SEVEN DOLLARS (\$471,392,687), 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 THIRTY SEVEN MILLION TWO HUNDRED NINETY THOUSAND SEVEN HUNDRED NINETY THREE DOLLARS (\$37,290,793) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2007-08. 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		\$37,290,793

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, 2007, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. The following funds are hereby consolidated into the MERC Fund – the MERC Operating Fund and the MERC Pooled Capital Fund. Balances remaining in these funds are consolidated with the MERC Fund effective July 1, 2007.

5. An interfund loan from the General Fund to the General Obligation Bond Debt Service Fund in an amount not to exceed \$2.0 million is hereby authorized. The loan will be made to provide cash flow for debt service payments due during the first six months of the fiscal year prior to the receipt of property taxes. The loan will be repaid, with interest, from property taxes levied for the purpose of paying general obligation debt service. Interest will be charged on the loan at a rate equal to the average yield on Metro’s pooled investments.

6. 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.

7. 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, 2007, 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 21st day of June, 2007.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Chris Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney



**Tax Supervising
& Conservation
Commission**

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Portland, Oregon
97207-8428

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TSCC@co.multnomah.or.us

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/tsccl

**Exhibit A
Ordinance 07-1144B**

June 7, 2007

Metro Council
600 NE Grand Avenue
Portland, Oregon 97232

Dear Councilors:

The Tax Supervising and Conservation Commission met on June 7, 2007 to review, discuss and conduct a public hearing on the Metro 2007-08 Budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The budget was submitted timely on May 11, 2007. The Commission hereby certifies by a majority vote that it has no objections or recommendations to make with respect to the budget.

For 2007-08, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are shown on the attached page.

Please file a complete copy of the adopted budget with the Commission no later than July 16, 2007. If extra time is needed for filing the adopted budget, please request an extension in writing.

We appreciate having the opportunity to discuss this budget with you.

Yours very truly,
TAX SUPERVISING & CONSERVATION COMMISSION

Elizabeth Hengeveld, Commissioner

Lynn McNamara, Commissioner

Kirk R. Hall, Commissioner

Roslyn Sutherland, Commissioner

Carl Farrington, Commissioner

Commissioners

Elizabeth Hengeveld
Lynn McNamara
Kirk R. Hall
Dr. Roslyn Elms Sutherland
Carl Farrington

**Exhibit A
Ordinance 07-1144B**

	<u>Budget Estimates</u>	<u>Unappropriated Portion</u>
General Fund	\$101,944,341	\$5,899,222
General Obligation Bond Debt Service Fund	47,170,205	11,930,405
General Revenue Bond Fund	3,320,604	4,700
Metro Capital Fund	17,888,302	6,992,757
MERC Fund	57,901,339	13,736,497
Natural Areas Fund	130,121,416	64,386,604
Open Spaces Fund	590,938	0
Pioneer Cemetery Perpetual Care Fund	231,882	231,882
Rehabilitation & Enhancement Fund	2,459,511	1,624,748
Risk Management Fund	10,118,480	18,799
Smith & Bybee Lakes Trust Fund	4,011,245	3,694,545
Solid Waste Revenue Fund	94,711,228	17,207,435
Total Budget Estimates	\$470,469,491	\$125,727,594

Tax Levy:

Permanent Rate - Operating \$ 0.0966

Debt Service - Not Subject to Limit \$ 37,290,793

Exhibit B - Ordinance 07-1144B Budget Summary by Year

	Audited FY 2004-05	Audited FY 2005-06	Adopted FY 2006-07	Amended FY 2006-07	Proposed FY 2007-08	Approved FY 2007-08	Adopted FY 2007-08
Resources							
<i>Beginning Fund Balance</i>	\$92,671,026	\$103,103,772	\$100,248,759	\$100,248,759	\$229,107,698	\$232,596,610	\$233,403,042
Current Revenues							
Real Property Taxes	26,634,390	27,850,826	28,189,734	28,189,734	45,864,380	45,985,075	45,985,075
Excise Tax	13,577,891	14,243,252	16,588,507	16,588,507	17,677,197	17,677,197	17,677,197
Other Derived Tax Revenue	25,270	21,395	19,000	19,000	19,000	19,000	19,000
Grants	7,130,648	10,876,624	27,155,781	27,155,781	20,573,135	21,309,784	21,423,548
Local Government Shared Revenues	8,268,413	9,399,758	9,346,330	9,346,330	9,981,706	9,983,177	9,983,177
Contributions from other Governments	947,778	917,181	1,484,267	1,484,267	711,375	781,532	781,532
Enterprise Revenue	100,464,847	104,458,277	104,488,424	105,265,424	107,278,494	107,278,494	107,278,494
Interest Earnings	2,035,718	4,383,644	3,317,412	3,317,412	9,126,882	9,126,882	9,126,882
Donations	5,357,358	2,402,701	2,661,260	2,918,928	3,300,952	3,300,952	3,303,952
Other Misc. Revenue	684,362	1,451,731	1,520,906	1,520,906	1,771,839	1,810,352	1,810,352
Bond and Loan Proceeds	19,315,005	39,330,256	0	0	0	0	0
Interfund Transfers:							
Interfund Reimbursements	6,119,041	6,143,872	7,031,720	7,031,720	7,500,839	7,626,574	7,626,574
Internal Service Transfers	726,685	536,471	704,640	704,640	931,416	931,416	931,416
Interfund Loan	0	0	1,550,000	1,550,000	0	0	0
Fund Equity Transfers	5,913,702	7,463,425	11,261,591	11,288,736	11,354,190	12,042,446	12,042,446
Subtotal Current Revenues	197,201,108	229,479,413	215,319,572	216,381,385	236,091,405	237,872,881	237,989,645
Total Resources	\$289,872,134	\$332,583,185	\$315,568,331	\$316,630,144	\$465,199,103	\$470,469,491	\$471,392,687
Requirements							
Current Expenditures							
Personal Services	\$53,912,101	\$56,140,536	\$62,340,749	\$63,060,822	\$66,879,970	\$67,030,126	\$67,053,592
Materials and Services	73,122,625	103,891,041	110,447,711	110,677,536	105,795,132	107,654,632	108,329,464
Capital Outlay	5,193,152	7,631,992	18,259,345	19,650,673	51,127,149	52,396,616	52,942,175
Debt Service	41,781,057	39,378,557	24,363,441	24,392,691	41,413,522	41,572,730	41,572,730
Interfund Transfers:							
Interfund Reimbursements	6,119,042	6,143,872	7,031,721	7,031,721	7,500,839	7,626,574	7,626,574
Internal Service Transfers	726,684	536,471	704,639	704,639	931,416	931,416	931,416
Interfund Loan	0	0	1,550,000	1,550,000	0	0	0
Fund Equity Transfers	5,913,701	7,463,425	11,261,591	11,288,736	11,354,190	12,042,446	12,042,446
Contingency	0	0	29,009,694	26,849,741	43,168,337	55,487,357	55,166,696
Subtotal Current Expenditures	186,768,363	221,185,894	264,968,891	265,206,559	328,170,555	344,741,897	345,665,093
<i>Ending Fund Balance</i>	103,103,771	111,397,291	50,599,440	51,423,585	137,028,548	125,727,594	125,727,594
Total Requirements	\$289,872,134	\$332,583,185	\$315,568,331	\$316,630,144	\$465,199,103	\$470,469,491	\$471,392,687
Full-Time Equivalents (FTE)	654.50	660.58	673.88	677.38	718.31	719.31	719.31

Note: Complete line item detail of the FY 2007-08 will be printed and available at a later date

Exhibit C to Ordinance 07-1144B
FY 2007-08 SCHEDULE OF APPROPRIATIONS

	<u>Proposed Budget</u>	<u>Revision</u>	<u>Approved Budget</u>	<u>Revision</u>	<u>Adopted Budget</u>
GENERAL FUND					
Council Office	1,813,004	0	1,813,004	23,466	1,836,470
Finance & Administrative Services	7,648,908	30,000	7,678,908	307,600	7,986,508
Human Resources	1,607,004	0	1,607,004	0	1,607,004
Metro Auditor	516,803	0	516,803	0	516,803
Office of Metro Attorney	1,740,503	125,735	1,866,238	0	1,866,238
Oregon Zoo	24,135,984	270,000	24,405,984	78,832	24,484,816
Planning	20,650,284	37,500	20,687,784	581,000	21,268,784
Public Affairs & Government Relations	1,734,550	45,000	1,779,550	40,000	1,819,550
Regional Parks & Greenspaces	5,230,553	770,129	6,000,682	0	6,000,682
Special Appropriations	4,972,547	9,970	4,982,517	0	4,982,517
Non-Departmental					
Debt Service	1,838,148	38,513	1,876,661	0	1,876,661
Interfund Transfers	10,631,965	688,256	11,320,221	0	11,320,221
Contingency	4,400,646	5,109,117	9,509,763	(286,466)	9,223,297
Unappropriated Balance	13,006,868	(5,107,646)	7,899,222	0	7,899,222
Total Fund Requirements	\$99,927,767	\$2,016,574	\$101,944,341	\$744,432	\$102,688,773
GENERAL OBLIGATION BOND DEBT SERVICE FUND					
Debt Service	35,119,105	120,695	35,239,800	0	35,239,800
Unappropriated Balance	11,930,405	0	11,930,405	0	11,930,405
Total Fund Requirements	47,049,510	120,695	47,170,205	0	47,170,205
GENERAL REVENUE BOND FUND					
Project Account					
Capital Outlay - Washington Park Parking Lot	205,500	0	205,500	0	205,500
Subtotal	205,500	0	205,500	0	205,500
Debt Service Account					
Debt Service - Metro Regional Center	1,507,311	0	1,507,311	0	1,507,311
Debt Service - Expo Center Hall D	1,189,932	0	1,189,932	0	1,189,932
Debt Service - Washington Park Parking Lot	405,161	0	405,161	0	405,161
Subtotal	3,102,404	0	3,102,404	0	3,102,404
General Expenses					
Interfund Transfers	8,000	0	8,000	0	8,000
Subtotal	8,000	0	8,000	0	8,000
Unappropriated Balance	4,700	0	4,700	0	4,700
Total Fund Requirements	\$3,320,604	\$0	\$3,320,604	\$0	\$3,320,604
MERC FUND					
MERC	35,733,068	1,261,488	36,994,556	0	36,994,556
Non-Departmental					
Debt Service	18,352	0	18,352	0	18,352
Interfund Transfers	3,510,962	0	3,510,962	0	3,510,962
Contingency	2,363,393	1,277,579	3,640,972	0	3,640,972
Unappropriated Balance	15,039,597	(1,303,100)	13,736,497	0	13,736,497
Total Fund Requirements	\$56,665,372	\$1,235,967	\$57,901,339	\$0	\$57,901,339

Exhibit C to Ordinance 07-1144B
FY 2007-08 SCHEDULE OF APPROPRIATIONS

	<u>Proposed Budget</u>	<u>Revision</u>	<u>Approved Budget</u>	<u>Revision</u>	<u>Adopted Budget</u>
METRO CAPITAL FUND					
Oregon Zoo	4,139,572	0	4,139,572	0	4,139,572
Regional Parks	2,008,000	144,124	2,152,124	0	2,152,124
Special Appropriation	1,593,875	203,500	1,797,375	212,959	2,010,334
Non-Departmental					
Interfund Transfers	29,750	0	29,750	0	29,750
Contingency	2,783,277	(6,553)	2,776,724	(34,195)	2,742,529
Unappropriated Balance	6,986,204	6,553	6,992,757	0	6,992,757
Total Fund Requirements	\$17,540,678	\$347,624	\$17,888,302	\$178,764	\$18,067,066
NATURAL AREAS FUND					
Regional Parks Department	49,427,392	0	49,427,392	0	49,427,392
Non-Departmental					
Interfund Transfers	785,761	125,735	911,496	0	911,496
Contingency	15,395,924	0	15,395,924	0	15,395,924
Unappropriated Balance	64,512,339	(125,735)	64,386,604	0	64,386,604
Total Fund Requirements	\$130,121,416	\$0	\$130,121,416	\$0	\$130,121,416
OPEN SPACES FUND					
Regional Parks Department	590,938	0	590,938	0	590,938
Total Fund Requirements	\$590,938	\$0	\$590,938	\$0	\$590,938
PIONEER CEMETERY PERPETUAL CARE FUND					
Unappropriated Balance	231,882	0	231,882	0	231,882
Total Fund Requirements	\$231,882	\$0	\$231,882	\$0	\$231,882
REHABILITATION & ENHANCEMENT FUND					
Materials & Services	505,368	0	505,368	0	505,368
Interfund Transfers	29,395	0	29,395	0	29,395
Contingency	300,000	0	300,000	0	300,000
Unappropriated Balance	1,624,748	0	1,624,748	0	1,624,748
Total Fund Requirements	\$2,459,511	\$0	\$2,459,511	\$0	\$2,459,511
RISK MANAGEMENT FUND					
Finance & Administrative Services	9,675,319	0	9,675,319	0	9,675,319
Non-Departmental					
Contingency	443,161	(18,799)	424,362	0	424,362
Unappropriated Balance	0	18,799	18,799	0	18,799
Total Fund Requirements	\$10,118,480	\$0	\$10,118,480	\$0	\$10,118,480

Exhibit C to Ordinance 07-1144B
FY 2007-08 SCHEDULE OF APPROPRIATIONS

	<u>Proposed Budget</u>	<u>Revision</u>	<u>Approved Budget</u>	<u>Revision</u>	<u>Adopted Budget</u>
SMITH AND BYBEE LAKES FUND					
Regional Parks Department	0	95,000	95,000	0	95,000
Non-Departmental					
Interfund Transfers	21,700	0	21,700	0	21,700
Contingency	200,000	0	200,000	0	200,000
Unappropriated Balance	3,694,545	0	3,694,545	0	3,694,545
Total Fund Requirements	\$3,916,245	\$95,000	\$4,011,245	\$0	\$4,011,245
SOLID WASTE REVENUE FUND					
Operating Account					
Solid Waste & Recycling Department	46,977,179	286,677	47,263,856	0	47,263,856
Subtotal	46,977,179	286,677	47,263,856	0	47,263,856
Debt Service Account					
Debt Service	1,335,513	0	1,335,513	0	1,335,513
Subtotal	1,335,513	0	1,335,513	0	1,335,513
Landfill Closure Account					
Solid Waste & Recycling Department	838,000	0	838,000	0	838,000
Subtotal	838,000	0	838,000	0	838,000
Renewal and Replacement Account					
Solid Waste & Recycling Department	1,562,900	0	1,562,900	0	1,562,900
Subtotal	1,562,900	0	1,562,900	0	1,562,900
General Account					
Solid Waste & Recycling Department	495,000	0	495,000	0	495,000
Subtotal	495,000	0	495,000	0	495,000
General Expenses					
Interfund Transfers	4,768,912	0	4,768,912	0	4,768,912
Contingency	15,281,936	5,957,676	21,239,612	0	21,239,612
Subtotal	20,050,848	5,957,676	26,008,524	0	26,008,524
Unappropriated Balance	21,997,260	(4,789,825)	17,207,435	0	17,207,435
Total Fund Requirements	\$93,256,700	\$1,454,528	\$94,711,228	\$0	\$94,711,228
TOTAL BUDGET	\$465,199,103	\$5,270,388	\$470,469,491	\$923,196	\$471,392,687

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 07-1144 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2007-08, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

Date: March 15, 2007

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 2007-08.

Metro Council action, through Ordinance No. 07-1144 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, 2007.

Once the budget plan for fiscal year 2007-08 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 2007 and adoption in June 2007.

Exhibit A to this Ordinance will be available subsequent to the Tax Supervising and Conservation Commission hearing June 7, 2007. Exhibits B and C of the Ordinance will be available at the public hearing on March 15, 2007.

ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget during the months of March and April 2007. 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, 2007. The Commission will conduct a hearing on June 7, 2007 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 2007-08 budget, effective July 1, 2007.
4. **Budget Impacts** – The total amount of the proposed FY 2007-08 annual budget is \$465,199,103 and 718.31 FTE.

RECOMMENDED ACTION

The Metro Council President recommends adoption of Ordinance No. 07-1144

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BEFORE THE METRO COUNCIL

AMENDING METRO CODE CHAPTERS)	ORDINANCE NO. 07-1147
5.01, 5.02, 5.05, AND 7.01 TO ENSURE)	
THAT ALL OF THE REGION’S NON-)	Introduced by Michael Jordan, Chief
PUTRESCIBLE WASTE UNDERGOES)	Operating Officer, with the concurrence of
MATERIAL RECOVERY PRIOR TO)	David Bragdon, Council President
DISPOSAL, TO ELIMINATE THE)	
REGIONAL SYSTEM FEE AND EXCISE)	
TAX CREDIT PROGRAM, AND TO MAKE)	
RELATED CHANGES)	

WHEREAS, Metro is accountable for meeting the state-mandated 2009 waste reduction goal for the tri-county region, and the recovery of additional “dry waste” material generated by the building industry is a key component of reaching the 64% goal; and

WHEREAS, dry waste consists primarily of wood, metal, corrugated cardboard, concrete, drywall and roofing; and

WHEREAS, over 90% of this material is reusable or recoverable with current technology and markets; and

WHEREAS, a minimum of 33,000 additional tons of dry waste per year could be recovered by a regional program to require the processing of all dry waste before disposal; and

WHEREAS, such a program was recommended by a stakeholder group in 2003 as the option most likely to help the region attain its recovery goal for the building industry sector; and

WHEREAS, this recommendation was subsequently incorporated in the region’s interim waste reduction plan approved by Council in 2006; and

WHEREAS, by July 1, 2009 it is the intent of the Metro Council that all dry waste originating from the Metro region be subject to processing for material recovery or subject to a landfill surcharge intended to discourage unprocessed dry waste from going directly to a landfill; and

WHEREAS, the Chief Operating Officer recommends approval of this ordinance; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code section 5.01.010 is amended as follows:

5.01.010 Definitions

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

(a) "Activity" means a primary operation or function that is performed in a Solid Waste Facility or at a Disposal Site, including but not limited to Resource Recovery, Composting, Energy Recovery, and other types of Processing; Recycling; Transfer; incineration; and disposal of Solid Waste; but excluding operations or functions such as Segregation that serve to support the primary Activity.

(b) "Agronomic application rate" has the meaning provided in OAR 340-093-0030(4).

(c) "Chief Operating Officer" means the Metro Chief Operating Officer or the Chief Operating Officer's designee.

(d) "Cleanup Material Contaminated By Hazardous Substances" means solid waste resulting from the cleanup of releases of hazardous substances into the environment, including petroleum contaminated soils and sandbags from chemical spills. Cleanup Material Contaminated By Hazardous Substances does not mean solid waste generated by manufacturing or industrial processes.

(e) "Closure" means the restoration of a Solid Waste Facility or a Disposal Site to its condition prior to the commencement of licensed or franchised Solid Waste activities at the site. Closure includes, but is not limited to, the removal of all accumulations of Solid Waste and Recyclable Materials from the site.

(f) "Code" means the Metro Code.

(g) "Compost" means the stabilized product of composting.

(h) "Composting" means the controlled biological decomposition of organic material.

(i) "Composting Facility" means a site or facility which utilizes organic material to produce a useful product through the process of composting.

(j) "Council" means the Metro Council.

(k) "DEQ" means the Department of Environmental Quality of the State of Oregon.

(l) "Direct haul" means the delivery of Putrescible Waste from a Solid Waste Facility directly to Metro's contract operator for disposal of Putrescible Waste. Direct Haul is an Activity under this chapter.

(m) "Disposal site" means the land and facilities used for the disposal of Solid Wastes whether or not open to the public, but does not include transfer stations or processing facilities.

- (n) "District" has the same meaning as in Code Section 1.01.040.
- (o) "Energy recovery" means a type of Resource Recovery that is limited to methods in which all or a part of Solid Waste materials are processed to use the heat content, or other forms of energy, of or from the material.
- (p) "Franchise" means the grant of authority or privilege given by the Council to operate a Disposal Site, Transfer Station, or an Energy Recovery facility, or to conduct any activity specified in Section 5.01.045(b) of this chapter.
- (q) "Franchisee" means the person to whom a Franchise is granted by the Council under this chapter.
- (r) "Franchise fee" means the fee charged by Metro to the Franchisee for the administration of the Franchise.
- (s) "Hazardous waste" has the meaning provided in ORS 466.005.
- (t) "Household hazardous waste" means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. "Household hazardous waste" may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.
- (u) "Inert" means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the state or public health.
- (v) "License" means the permission given by the Council or Chief Operating Officer to operate a Solid Waste Facility not exempted or requiring a Franchise under this chapter that Transfers, and Processes Solid Waste, and may perform other authorized Activities.
- (w) "Licensee" means the person to whom a License is granted by the Council or Chief Operating Officer under this chapter.
- (x) "Local Transfer Station" means a Transfer Station that serves the demand for disposal of Putrescible Waste that is generated within a single Service Area, and may provide fewer disposal services than are provided by a Regional Transfer Station.
- (y) "Material recovery" means a type of Resource Recovery that is limited to mechanical methods of obtaining from Solid Waste materials which still have useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material Recovery includes obtaining from Solid Waste materials used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

(z) "Metro Designated Facility" means a facility in the system of transfer stations, Metro Franchised facilities and landfills authorized under Chapter 5.05 of this Title to accept waste generated in the area within the jurisdiction of Metro.

(aa) "Non-putrescible waste" means any Waste that contains no more than trivial amounts of Putrescible materials or minor amounts of Putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This category includes construction waste, and demolition waste debris, and land clearing debris; but excludes Cleanup Materials Contaminated by Hazardous Substances, and SS Source-Separated Recyclable Material, whether or not sorted into individual material categories by the generator special waste, land clearing debris and yard debris.

(bb) "Person" has the same meaning as in Code Section 1.01.040.

(cc) "Petroleum contaminated soil" means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. Soil that is contaminated with petroleum products but also contaminated with a hazardous waste as defined in ORS 466.005, or a radioactive waste as defined in ORS 469.300, is not included in the term.

(dd) "Process," "Processing" or "Processed" means a method or system of altering the form, condition or content of Wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping; but excluding incineration or mechanical volume reduction techniques such as baling and compaction.

(ee) "Processing facility" means a place or piece of equipment where or by which Solid Wastes are processed. This definition does not include commercial and home garbage disposal units, which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

(ff) "Processing residual" means the Solid Waste destined for disposal which remains after Resource Recovery has taken place.

(gg) "Putrescible" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(hh) "Putrescible waste" means Waste containing Putrescible material.

(ii) "Rate" means the amount approved by Metro and charged by the Franchisee, excluding the Regional System Fee as established in Chapter 5.02 of this Title and franchise fee.

(jj) “Recyclable material” means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

(kk) “Recycle” or “Recycling” means any process by which Waste materials are transformed into new products in such a manner that the original products may lose their identity.

(ll) "Recycling drop center" means a facility that receives and temporarily stores multiple source separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale.

(mm) "Regional Solid Waste Management Plan" means the Regional Solid Waste Management Plan adopted as a functional plan by Council and approved by DEQ.

(nn) “Regional Transfer Station” means a Transfer Station that may serve the disposal needs of more than one Service Area and is required to accept solid waste from any person who delivers authorized solid waste to the Regional Transfer Station.

(oo) “Reload” or “Reload facility” means a facility that performs only Transfer and delivers all solid waste received at the facility to by means of a fixed or mobile facilities including but not limited to drop boxes and gondola cars, but excluding solid waste collection vehicles, normally used as an adjunct of a solid waste collection and disposal system, between a collection route and another Solid Waste facility or a disposal site after it receives such solid waste, generally within 24 hours of receipt.

(pp) "Resource recovery " means a process by which useful material or energy resources are obtained from Solid Waste.

(qq) “Reuse” means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(rr) “Segregation” means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the Transfer of Solid Waste. Segregation does not include Resource Recovery or other Processing of Solid Waste. The sole intent of segregation is not to separate Useful Material from the Solid Waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

(ss) “Service Area” means the geographic locale around a solid waste facility that is defined by the characteristic that every point within such area is closer in distance to the solid waste facility contained in such area than to any other solid waste facility or disposal site. As used in this definition, “distance” shall be measured over improved roads in public rights-of-way.

(tt) "Solid waste" means all Putrescible and Non-Putrescible Wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-Solid Wastes, dead animals; infectious waste as defined in ORS 459.386; ~~petroleum contaminated soils~~ and other such wastes, including without limitation, cleanup materials contaminated with hazardous substances, commingled recyclable material, petroleum contaminated soil, special waste, source-separated recyclable material, land clearing debris and yard debris; but the term does not include:

- (1) Hazardous wastes as defined in ORS 466.005;
- (2) Radioactive wastes as defined in ORS 469.300;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

(uu) "Solid waste facility" means the land and buildings at which Solid Waste is received for Transfer, Resource Recovery, and/or Processing but excludes disposal.

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

(ww) "Source-separated recyclable material" or "Source-separated recyclables" means ~~material- solid waste~~ that has been Source Separated by the waste generator for the purpose of Reuse, Recycling, or Composting. This term includes (1) all homogenous loads of Recyclable Materials that are has been Source Separated by material type for the purpose of recycling (i.e., source-sorted) and (2) Residential and commercial commingled Recyclable Materials, which includes only those recyclable material types that the local jurisdiction, where the materials were collected, permits to be mixed together in a single container as part of its residential curbside recyclable material collection program. This term does not include any other commingled recyclable materials. that are mixed together in one container (i.e., commingled).

(xx) "Special waste" means any waste (even though it may be part of a delivered load of waste) which one or more of the following categories describes:

- 1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 and 11 of this definition below.
- (2) Waste transported in a bulk tanker.

- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.
- (4) Containers (or drums) which once held commercial products or chemicals, unless the containers (or drums) are empty. A container is empty when:

 - (A) All wastes have been removed that can be removed using the practices commonly employed to remove materials from the type of container, e.g., pouring, pumping, crushing, or aspirating.
 - (B) One end has been removed (for containers in excess of 25 gallons); and

 - (i) No more than one inch thick (2.54 centimeters) of residue remains on the bottom of the container or inner liner; or
 - (ii) No more than 1 percent by weight of the total capacity of the container remains in the container (for containers up to 110 gallons); or
 - (iii) No more than 0.3 percent by weight of the total capacity of the container remains in the container for containers larger than 110 gallons.
 - (C) Containers that once held acutely hazardous wastes must be triple-rinsed with an appropriate solvent or cleaned by an equivalent alternative method. Containers that once held substances regulated under the Federal Insecticide, Fungicide, and Rodenticide Act must be empty according to label instructions or triple-rinsed with an appropriate solvent or cleaned by an equivalent method. Plastic containers larger than five gallons that hold any regulated waste must be cut in half or punctured, and be dry and free of contamination to be accepted as refuse.
- (5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, Laundromats or car washes.
- (6) Waste from an industrial process.
- (7) Waste from a pollution control process.
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.

(9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.

(10) Chemical-containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical containing equipment).

(11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.

(12) Any waste that requires extraordinary management or special handling.

Examples of special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.

(13) Radioactive waste.

(14) Medical waste.

(xxyy) "Transfer" means the Activity of receiving Solid Waste for purposes of transferring the Solid Waste from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of Solid Waste from more than one vehicle, and compaction, but does not include Resource Recovery or other Processing of Solid Waste.

(yyzz) "Transfer station" means a Solid Waste Facility whose primary Activities include, but are not limited to, the Transfer of Solid Waste.

(zzaaa) "Useful material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from Solid Waste, is suitable for use in the same or other purpose(s). Types of Useful Materials are: material that can be Reused; Recyclable Material; organic material(s) suitable for controlled biological decomposition such as for making Compost; material used in the preparation of fuel; material intended to be used, and which is in fact used, for construction or land reclamation such as Inert material for fill; and material intended to be used, and which is in fact used, productively in the operation of landfills such as roadbeds or alternative daily cover. For purposes of this Code, Cleanup Material Contaminated By Hazardous Substances are not Useful Materials.

(aaabbb) "Vermiprocessing" means a controlled method or system of biological Processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

(bbbcc) "Waste" means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose.

(eeedd) "Waste hauler" means any person who is franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul Solid Waste.

(dddee) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. "Yard debris" includes landscape waste, grass clippings, leaves, hedge trimmings, stumps and other vegetative waste having similar properties, but does not include demolition debris, painted or treated wood.

(eeeff) "Yard debris facility" means a yard debris processing facility or a yard debris reload facility.

(fffgg) "Yard debris reload facility" means an operation or facility that receives yard debris for temporary storage, awaiting transport to a processing facility.

SECTION 2. Metro Code section 5.01.040 is amended as follows:

5.01.040 Exemptions

(a) In furtherance of the purposes set forth in this chapter, except as provided in Sections 5.01.040(b) through (d) below, the Metro Council declares the provisions of this chapter shall not apply to:

- (1) Municipal or industrial sewage treatment plants accepting sewage, sludge, septic tank and cesspool pumpings or other sludge.
- (2) Disposal Sites, Transfer Stations, or Solid Waste Facilities owned or operated by Metro.
- (3) Facilities that (A) exclusively receive non-Putrescible Source-Separated Recyclable Materials, and (B) reuse or recycle such materials, or transfer, transport or deliver such materials to a person or facility that will reuse or recycle them.
- (4) Facilities that exclusively receive, process, transfer or dispose of Inert Wastes.
- (5) The following operations, which do not constitute Yard Debris Facilities:

- (A) Persons who generate and maintain residential compost piles for residential garden or landscaping purposes.
- (B) Residences, parks, community gardens and homeowner associations.
- (C) Universities, schools, hospitals, golf courses, industrial parks, and other similar facilities, if the landscape waste or yard debris was generated from the facility's own activities, the product remains on the facility grounds, and the product is not offered for off-site sale or use.
- (D) Operations or facilities that chip or grind wood wastes, unless:
 - (i) such chipped or ground wood wastes are processed for composting; or
 - (ii) such operations or facilities are otherwise regulated under Metro Code Section 5.01.045.
- (6) Temporary transfer stations or processing centers established and operated by a government for 60 days or less to temporarily receive, store or process Solid Waste if Metro finds an emergency situation exists.
- (7) Any Reload facility that:
 - (A) Accepts Solid Waste collected under the authority of a single solid waste collection franchise granted by a local government unit, or from multiple solid waste collection franchises so long as the area encompassed by the franchises is
 - (B) Is owned or controlled by the same person granted franchise authority ascribed in subsection (A); and
 - (C) Delivers any Putrescible Waste accepted at the operation or facility to a Transfer Station owned, operated, Licensed or Franchised by Metro; and
 - (D) Delivers all other Solid Waste accepted at the facility except Inert Wastes to a Metro Designated Facility authorized to accept said Solid Waste, or to another solid waste facility ~~or Disposal Site~~ under authority of a Metro Non-System License issued pursuant to Chapter 5.05.
- (8) Persons who own or operate a mobile facility that processes Petroleum Contaminated Soil at the site of origin and retains any treated Petroleum Contaminated Soil on the site of origin.

(b) Notwithstanding Section 5.01.040(a), all persons shall comply with Sections 5.01.030(a), (b), (d) and (f).

(c) Notwithstanding Section 5.01.040(a)(2) of this chapter, Metro shall comply with Section 5.01.150 of this chapter.

(d) Notwithstanding Sections 5.01.040(a)(3) through 5.01.040(a)(8) of this chapter, the provisions of Section 5.01.135 of this chapter shall apply to operations and facilities described in Sections 5.01.040(a)(3) through 5.01.040(a)(8) of this chapter.

SECTION 3. Metro Code section 5.01.125 is amended as follows:

5.01.125 Obligations and Limits for Selected Types of Activities

(a) A holder of a License or Franchise for a Material Recovery facility, ~~Reload or Local Transfer Station, or a holder of a Franchise~~ issued after July 1, 2000, ~~for a Regional Transfer Station~~ shall perform Material Recovery from Non-Putrescible Waste accepted at the facility as specified in this section or as otherwise specified in its license or franchise, or shall deliver such Non-Putrescible Waste to a Solid Waste facility ~~whose primary purpose is authorized by Metro~~ to recover useful materials from Solid Waste.

(b) ~~A holder of a License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station,~~ A licensee or franchisee subject to subsection (a) of this section shall recover at least 25% by weight of Non-Putrescible waste accepted at the facility and waste delivered by public customers. For the purposes of calculating the amount of recovery required by this subsection, recovered waste shall exclude both waste from industrial processes and ash, inert rock, concrete, concrete block, foundry brick, asphalt, dirt, and sand. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code Sections 5.01.180 and 5.01.200. After January 1, 2009, the requirements of this subsection will not be applicable to licensees or franchisees unless Metro Council determines that this standard should be reinstated to replace the processing residual standard established in 5.01.125(c).

~~(c)~~ (e) — Effective January 1, 2009, a licensee or franchisee subject to subsection (a) of this section shall:

- (1) At a minimum, process non-putrescible waste accepted at the facility to recover cardboard, wood, and metals (including aluminum). Processing residual from such a facility shall not contain more than 15 percent, by total combined weight, of cardboard or wood pieces of greater than 12 inches in size in any dimension and metal pieces greater than eight inches in size in any dimension.
- (2) Take quarterly samples of processing residual that are statistically valid and representative of the facility's residual (not less than a 300-

pound sample) and provide results of such sampling to Metro in the monthly report due the month following the end of that quarter.

(3) Based on observation, audits, inspections and reports, Metro inspectors shall conduct or require additional analysis of waste residual at the facility in accordance with section 5.01.135(c). Failure to maintain the recovery level specified in subsection (c)(1) of this section shall constitute a violation enforceable under Metro Code. The first two violations of this subsection by a single licensee or franchisee shall not result in the imposition of a civil penalty.

(4) Failure to meet the reporting requirements in subsection (c)(2) of this section shall constitute a violation enforceable under Metro Code after July 1, 2009.

(d) In addition to the requirements of (a) and (b) in this section, A holders of a Franchise for a Local Transfer Station:

- (1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.
- (2) Shall not accept hazardous waste.
- (3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this chapter.
- (4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d)(c) In addition to the requirements of (a) and (b) in this section, A holders of a Franchise for a Regional Transfer Station, in accordance with its franchise issued after July 1, 2000:

- (1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.
- (2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised

Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

- (3) Shall provide an area for collecting source separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

(f) A holder of a license for a reload facility shall deliver all non-putrescible waste received at the facility to a solid waste facility authorized by Metro to recover useful materials from solid waste.

(g) A holder of a license or franchise for a solid waste facility shall not crush, grind or otherwise reduce the size of non-putrescible waste except when such size reduction constitutes a specific step in the facility's material recovery operations, reload operations, or processing residual consolidation or loading operations, and such size reduction is described and approved by Metro in an operating plan.

(Ordinance No. 98-762C, Secs. 30-31. Amended by Ordinance No. 00-866, Sec. 5; Ordinance No. 01-916C, Sec. 4; Ordinance No. 02-952A, Sec. 1; Ordinance No. 03-1018A, Sec 16.)

SECTION 4. Metro Code section is amended as follows:

5.01.135 Inspections and Audits of Solid Waste Facilities

(a) The Chief Operating Officer shall be authorized to make such inspection or audit as the Chief Operating Officer deems appropriate, and shall be permitted access to the premises of a licensed or franchised facility, and all other Solid Waste Facilities, at all reasonable times during business hours with or without notice or at such other times with 24 hours notice after the Franchise or License is granted to assure compliance with this chapter, the Code, the Franchise or License, and administrative procedures and performance standards adopted pursuant to Section 5.01.132 of this chapter.

(b) Inspections or audits authorized under subsection (a) of this section shall occur regularly and as determined necessary by the Chief Operating Officer. Results of each inspection shall be reported on a standard form specified by the Chief Operating Officer.

(c) The Chief Operating Officer shall have access to and may examine during such inspections or audits any records pertinent in the opinion of the Chief Operating Officer to the License or Franchise, or to the provisions of this chapter, including but not limited to the books, papers, records, equipment, blueprints, operation and maintenance records and logs and operating rules and procedures of the Licensee, Franchisee or Solid Waste Facility operator.

Such inspections or audits may include taking samples and conducting analysis of any waste or other material, including storm water runoff, water treatment or holding facilities, leachate, soil

and solid waste. The Chief Operating Officer shall coordinate any sampling or follow-up activities with DEQ or local jurisdictions as necessary to prevent the imposition of redundant requirements on operations.

(d) Any violations discovered by the inspection or audit shall be subject to the penalties provided in Section 5.01.200.

SECTION 5. The definition of “special waste” in Metro Code section 5.02.015(hh) shall be amended as follows:

(hh) "Special waste" ~~means any waste (even though it may be part of a delivered load of waste) which one or more of the following categories describes; shall have the meaning assigned thereto in Metro Code section 5.01.010.~~

~~(1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 and 11 of this definition below.~~

~~(2) Waste transported in a bulk tanker.~~

~~(3) Liquid waste including outdated, off-spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.~~

~~(4) Containers (or drums) which once held commercial products or chemicals, unless the containers (or drums) are empty. A container is empty when:~~

~~(A) All wastes have been removed that can be removed using the practices commonly employed to remove materials from the type of container, e.g., pouring, pumping, crushing, or aspirating.~~

~~(B) One end has been removed (for containers in excess of 25 gallons); and~~

~~(i) No more than one inch thick (2.54 centimeters) of residue remains on the bottom of the container or inner liner; or~~

~~(ii) No more than 1 percent by weight of the total capacity of the container remains in the container (for containers up to 110 gallons); or~~

~~(iii) No more than 0.3 percent by weight of the total capacity of the container remains in the container for containers larger than 110 gallons.~~

- ~~(C) Containers that once held acutely hazardous wastes must be triple-rinsed with an appropriate solvent or cleaned by an equivalent alternative method. Containers that once held substances regulated under the Federal Insecticide, Fungicide, and Rodenticide Act must be empty according to label instructions or triple-rinsed with an appropriate solvent or cleaned by an equivalent method. Plastic containers larger than five gallons that hold any regulated waste must be cut in half or punctured, and be dry and free of contamination to be accepted as refuse.~~
- ~~(5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, Laundromats or car washes.~~
- ~~(6) Waste from an industrial process.~~
- ~~(7) Waste from a pollution control process.~~
- ~~(8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.~~
- ~~(9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.~~
- ~~(10) Chemical containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical containing equipment).~~
- ~~(11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.~~
- ~~(12) Any waste that requires extraordinary management or special handling.~~

~~Examples of special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes; empty pesticide containers, and dead animals or by products.~~
- ~~(13) Radioactive waste.~~
- ~~(14) Medical waste.~~

SECTION 6. Metro Code Section 5.02.046 is repealed.

SECTION 7. Metro Code Section 5.02.047 as amended by Ordinance No. 07-1146 is amended to read:

5.02.047 Regional System Fee Credits

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

~~System Fee Credit Schedule~~

Facility Recovery Rate		
From Above	Up To & Including	System Fee Credit of no more than
0%	30%	0.00
30%	35%	9.92
35%	40%	11.46
40%	45%	13.28
45%	100%	14.00

~~(b) — The Chief Operating Officer:~~

~~(1) — Shall establish administrative procedures to implement subsections (b) and (c) of Metro Code Section 5.02.046; and~~

~~(2) — May establish additional administrative procedures regarding the Regional System Fee Credits, including, but not limited to establishing eligibility requirements for such credits and establishing incremental System Fee Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (a) of this section.~~

~~(c) — Any person delivering Cleanup Material Contaminated By Hazardous Substances that is derived from an environmental cleanup of a nonrecurring event, and delivered to any Solid Waste System Facility authorized to accept such substances shall be allowed a credit in the amount of \$11.58 against the Regional System Fee otherwise due under Section 5.02.045(a) of this Chapter.~~

~~(d) — During any Fiscal Year, the total aggregate amount of credits granted under the Regional System Fee credit program shall not exceed the dollar amount budget without the prior review and authorization of the Metro Council.~~

~~(e) The Director of the Solid Waste and Recycling Department shall make a semi-annual report to the Council on the status of the credit program. The report shall include that aggregate amount of all credits paid during the preceding six months and the amount paid to each facility eligible for the credit program. The report shall also project whether the appropriation for the credit program will be sufficient to meet anticipated credit payment requests and maintain existing contingency funding.~~

SECTION 8. The definition of “Special waste” in Metro Code section 5.05.010 shall be amended as follows:

(v) “Special waste” shall have the meaning assigned thereto in Metro Code Section ~~5.02.0155.01.010~~.

SECTION 9. The following definitions of “Material Recovery,” “Processing Residual,” and “Recyclable Material,” shall be added to Metro Code section 5.05.010, other Code subsections in that section shall be renumbered accordingly, and other Code references to such subsection shall be amended accordingly:

“Material recovery “ shall have the meaning assigned thereto in Metro Code section 5.01.010.

“Processing residual” shall have the meaning assigned thereto in Metro Code section 5.01.010.

“Recyclable material” shall have the meaning assigned thereto in Metro Code section 5.01.010.

SECTION 10. Metro Code section 5.05.030 shall be amended as follows:

5.05.030 Designated Facilities of the System

(a) Designated Facilities. The following described facilities constitute the designated facilities of the system, the Metro Council having found that said facilities meet the criteria set forth in Metro Code Section 5.05.030(b):

- (1) Metro South Station. The Metro South Station located at 2001 Washington, Oregon City, Oregon 97045.
- (2) Metro Central Station. The Metro Central Station located at 6161 N.W. 61st Avenue, Portland, Oregon 97210.
- (3) Facilities Subject to Metro Regulatory Authority. All disposal sites and solid waste facilities within Metro which are subject to Metro regulatory authority under Chapter 5.01 of the Metro Code.

~~(4)~~ ~~_____~~ ~~(4)~~ Lakeside Reclamation (limited purpose landfill).
The Lakeside Reclamation limited purpose landfill, Route 1, Box 849,

- (A) As specified in an agreement entered into between Metro and Regional Disposal Company authorizing receipt of such waste; or
 - (B) Subject to a non-system license issued to a person transporting to the facility ~~special-solid~~ waste not specified in the agreement.
- (8) Finley Buttes Regional Landfill. The Finley Buttes Regional Landfill, located in Morrow County, Oregon. Finley Buttes Regional Landfill may accept ~~special-solid~~ waste generated within Metro only as follows:
- (A) As specified in an agreement entered into between Metro and Finley Buttes Landfill Company authorizing receipt of such waste; or
 - (B) Subject to a non-system license issued to a person transporting to the facility ~~special-solid~~ waste not specified in the agreement.
- (9) Coffin Butte Landfill. The Coffin Butte Landfill, located in Benton County, Oregon, which may accept solid waste generated within ~~the District-Metro~~ only as follows:
- (A) As specified in an agreement entered into between Metro and the owner of the Coffin Butte Landfill authorizing receipt of such waste; or
 - (B) Subject to a non-system license issued to a person transporting to the facility ~~solid~~~~special~~ wastes not specified in the agreement.
- (10) Wasco County Landfill. The Wasco County Landfill, located in The Dalles, Oregon, which may accept solid waste generated within ~~the District-Metro~~ only as follows:
- (A) As specified in an agreement entered into between Metro and the owner of the Wasco County Landfill authorizing receipt of such waste; or
 - (B) Subject to a non-system license issued to a person transporting to the facility solid wastes not specified in the agreement.
- (11) Cedar Grove Composting, Inc. The Cedar Grove Composting, Inc., facilities located in Maple Valley, Washington, and Everett, Washington. Cedar Grove Composting, Inc., may accept solid waste generated within ~~the District-Metro~~ only as follows:
- (A) As specified in an agreement entered into between Metro and Cedar Grove composting, Inc., authorizing receipt of such waste; or

(B) Subject to a non-system license issued to a person transporting to Cedar Grove Composting, Inc., solid wastes not specified in the agreement.

(12) Weyerhaeuser Regional Landfill. The Weyerhaeuser Regional Landfill, located in Castle Rock, Washington, and the Weyerhaeuser Material Recovery Facility, located in Longview, Washington. The Weyerhaeuser Material Recovery Facility is hereby designated only for the purpose of accepting solid waste for transfer to the Weyerhaeuser Regional Landfill. The Weyerhaeuser Regional Landfill and the Weyerhaeuser Material Recovery Facility may accept solid waste generated within ~~the District~~Metro only as follows:

(A) As specified in an agreement entered into between Metro and Weyerhaeuser, Inc., authorizing receipt of such waste; or

(B) Subject to a non-system license issued to a person transporting to the Weyerhaeuser Regional Landfill or the Weyerhaeuser Material Recovery Facility solid wastes not specified in the agreement.

(b) Changes to Designated Facilities to be Made by Council. From time to time, the Council, acting pursuant to a duly enacted ordinance, may remove from the list of designated facilities any one or more of the facilities described in Metro Code Section 5.05.030(a). In addition, from time to time, the Council, acting pursuant to a duly enacted ordinance, may add to or delete a facility from the list of designated facilities. In deciding whether to designate an additional facility, or amend or delete an existing designation, the Council shall consider:

- (1) The degree to which prior users of the facility and waste types accepted at the facility are known and the degree to which such wastes pose a future risk of environmental contamination;
- (2) The record of regulatory compliance of the facility's owner and operator with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations;
- (3) The adequacy of operational practices and management controls at the facility;
- (4) The expected impact on the region's recycling and waste reduction efforts;
- (5) The consistency of the designation with Metro's existing contractual arrangements;
- (6) The record of the facility regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement; and

- (7) Other benefits or detriments accruing to residents of the region from Council action in designating a facility, or amending or deleting an existing designation.

(c) The Chief Operating Officer is authorized to execute an agreement, or an amendment to an agreement, between Metro and a designated facility for Non-putrescible waste. Effective, July 1, 2008, an existing designated facility authorized to receive non-putrescible waste shall notify Metro of their intent to seek an agreement to recover non-putrescible waste from the Metro region in accordance with subsection (g) or to only take processed non-putrescible waste from authorized facilities included in subsection (f). No later than December 31, 2008, the Chief Operating Officer shall modify existing agreements to assure substantial compliance with either subsection (f) or (g) of this section as appropriate. If the Chief Operating Officer and a designated facility are not able to establish an agreement by November 1, 2008, then the Chief Operating Officer shall terminate the existing agreement following termination procedures described in the existing agreement but no later than December 31, 2008.

(d) An agreement, or amendment to an agreement between Metro and a designated facility for Putrescible waste shall be subject to approval by the Metro Council prior to execution by the Chief Operating Officer.

~~(d)~~(e) An agreement between Metro and a designated facility shall specify the types of wastes from within Metro boundaries that may be delivered to, or accepted at, the facility.

(f) ~~(e)~~ An agreement between Metro and a designated facility ~~that authorizes the facility to accept non-putrescible waste that has not yet undergone material recovery, is not processing residual, and originated or was generated within Metro boundaries shall demonstrate substantial compliance with facility performance standards, design requirements and operating requirements adopted pursuant to Metro Code Chapter 5.01.132 for non-putrescible waste material recovery facilities.~~ shall not authorize the facility to accept non-putrescible waste originating or generated within Metro boundaries after December 31, 2008, unless:

- (1) Such non-putrescible waste is received from a facility that has been issued a license or franchise pursuant to Chapter 5.01 authorizing such facility to perform material recovery on non-putrescible waste;
- (2) Such non-putrescible waste is received from a designated facility that has entered into an agreement with Metro, in accordance with subsection (f) of this section, authorizing such designated facility to perform material recovery on non-putrescible waste; or
- (3) The facility has entered into an agreement with Metro, in accordance with subsection (f) of this section, authorizing the

facility to perform material recovery on non-putrescible waste that has not yet undergone material recovery.

(g) An agreement between Metro and a designated facility that, after December 31, 2008, authorizes the facility to accept non-putrescible waste that has not yet undergone material recovery, is not comprised of processing residual, and originated or was generated within Metro boundaries shall:

- (1) Require such designated facility to perform material recovery on such waste; and
- (2) Demonstrate, in a manner that can be verified and audited, that such processing achieves material recovery substantially comparable to that required of in-region material recovery facilities by Metro Code subsections 5.01.125(a) and (b) by either:
 - (A) Meeting such material recovery requirements for all non-putrescible waste received at the facility, whether or not from within Metro boundaries; or
 - (B) Keeping all non-putrescible waste received from within Metro boundaries segregated from other waste throughout processing, keeping processing residual from such processing segregated from other solid waste after processing, and meeting such material recovery requirements for all such non-putrescible waste.
- (3) Demonstrate, in a manner that can be verified and audited, that such facility substantially complies with (A) the performance goals described in Metro Code sections 5.01.067(i) (as amended by Section 1 of Metro Ordinance No. 07-1138) and 5.01.075(c) (as amended by Section 2 of Metro Ordinance No. 07-1138), and (B) the performance standards, design requirements, and operating requirements applicable to licensed and franchised material recovery facilities operating within the Metro region and adopted by Metro as administrative procedures pursuant to Metro Code section 5.01.132 (as amended by Section 3 of Metro Ordinance No. 07-1138).

SECTION 11. Not later than March 1, 2008, the Chief Operating Officer shall provide the Metro Council with a recommendation for a form of additional solid waste fee or surcharge to be imposed on designated facilities seeking to dispose of unprocessed, non-putrescible waste from within the Metro region. The recommended fee or surcharge shall be applied as to provide substantially

equivalent disposal rates among material recovery facilities and designated facilities for disposal of unprocessed non-putrescible wastes. The recommendation of the Chief Operating Officer shall also include an amount for the proposed additional solid waste fee or surcharge, a proposal for the administrative procedures required to implement the imposition and collection of such fee or surcharge, the effective dates, and a recommendation on the uses to which the revenues generated by such fee or surcharge may be put.

SECTION 12. Metro Code section 5.05.035(a) as amended by Ordinance No. 07-1138 shall be further amended as follows:

5.05.035 License to Use Non-System Facility

A waste hauler or other person may transport solid waste generated within Metro to, or to utilize or cause to be utilized for the disposal or other processing of any solid waste generated within Metro, any non-system facility only by obtaining a non-system license in the manner provided for in this Section 5.05.035. Applications for non-system licenses for Non-putrescible waste, Special waste and Cleanup Material Contaminated By Hazardous Substances shall be subject to approval or denial by the Chief Operating Officer. Applications for non-system licenses for Putrescible waste shall be reviewed by the Chief Operating Officer and are subject to approval or denial by the Metro Council.

(a) Application for License. Any waste hauler or other person desiring to obtain a non-system license shall make application to the Chief Operating Officer, which application shall be filed on forms or in the format provided by the Chief Operating Officer. Applicants may apply for a limited-duration non-system license which has a term of not more than 120 days and is not renewable. An application for any non-system license shall set forth the following information:

- (1) The name and address of the waste hauler or person making such application;
- (2) The location of the site or sites at which the solid waste proposed to be covered by the non-system license is to be generated;
- (3) The nature of the solid waste proposed to be covered by the non-system license;
- (4) The expected tonnage of the solid waste proposed to be covered by the non-system license:
 - (A) The total tonnage if the application is for a limited duration non-system license; or
 - (B) The annual tonnage if the application is for any other non-system license;

- (5) A statement of the facts and circumstances which, in the opinion of the applicant, warrant the issuance of the proposed non-system license;
- (6) The non-system facility at which the solid waste proposed to be covered by the non-system license is proposed to be transported, disposed of or otherwise processed; and
- (7) The date the non-system license is to commence; and, for limited duration non-system licenses, the period of time the license is to remain valid not to exceed 120 days.

In addition, the Chief Operating Officer may require the applicant to provide, in writing, such additional information concerning the proposed non-system license as the Chief Operating Officer deems necessary or appropriate in order to determine whether or not to issue the proposed non-system license.

An applicant for a non-system license that authorizes the licensee to transport non-putrescible waste that has not yet undergone material recovery, is not processing residual, and originated or was generated within Metro boundaries shall provide documentation that the non-system facility is in substantial compliance with the facility performance standards, design requirements and operating requirements adopted pursuant to Metro Code Chapter 5.01.132 for non-putrescible waste material recovery facilities. Any applicant or licensee that is authorized or seeks to deliver non-putrescible waste to a non-system facility after January 1, 2009, must demonstrate that the non-system facility will be in substantial compliance with the material recovery requirements in Metro Code section 5.01.125.

SECTION 13. Metro Code section 7.01.020 shall be 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 subsection (d) by the amount of solid waste tonnage which the Chief Operating Officer reports to the Council under subsection (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 1st unless another effective date is adopted by the Metro Council.

- (2) The excise tax rate for each ton of solid waste constituting Cleanup Materials Contaminated by Hazardous Substances shall be \$1.00.

(f) By March 1st of each year, 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:

Year	Regional Recovery Rate
2005	56%
2006	56.5%
2007	57%
2008	57.5%
2009	58%

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 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 no greater than as provided on the following table:~~

Excise Tax Credit Schedule		
Facility Recovery Rate		Excise Tax
From	Up To & Including	Credit of no more than
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 subsection (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 14. Metro Code section 7.01.028 shall be amended as follows:

7.01.028 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 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).~~

SECTION 15. Metro Code sections 7.01.160 and 7.01.170, and Section 4 of Metro Ordinance No. 07-1138 (Metro Code section 5.05.030(e)) are repealed.

SECTION 16. Metro Code sections 7.01.180 and 7.01.190 are repealed.

SECTION 17. Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12 and 15 of this ordinance shall be effective 90 days after the adoption of this ordinance. Sections 6, 7, 13, 14, and 16 of this ordinance shall be effective on January 1, 2009.

ADOPTED by the Metro Council this _____ day of _____, 2007.

David Bragdon, Council President

Attest:

Approved as to Form:

Council Clerk Recording Secretary

Daniel B. Cooper, Metro Attorney

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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 07-1147, FOR THE PURPOSE OF ADOPTING LEGISLATION TO ENSURE THAT ALL OF THE REGION'S NON-PUTRESCIBLE WASTE UNDERGOES MATERIAL RECOVERY PRIOR TO DISPOSAL, TO ELIMINATE THE REGIONAL SYSTEM FEE AND EXCISE TAX CREDIT PROGRAM, AND TO MAKE RELATED CHANGES

Date: April 26, 2007

Prepared by: Bryce Jacobson

BACKGROUND

Higher levels of material recovery from commercial sources are essential to achieving the region's 64% state-mandated waste reduction goal. Greater recovery of building industry waste is a key component of the region's efforts.

In 2003, a stakeholder study group examining options for increasing recovery from this sector recommended that Metro should require processing of all construction and demolition debris loads before landfilling. Metro Council then directed staff to develop a program that would require all dry waste to be processed prior to landfill disposal.

C&D (also referred to as dry waste) consists primarily of six types of material: wood, metal, corrugated cardboard, concrete, drywall and roofing. On a typical construction or demolition project, over 90% of the waste materials are reusable or recoverable with current technology and markets.

The region's building industry has a well-developed system of over 90 source-separated recyclers and salvagers, seven facilities that recover recyclable material from mixed dry waste, and two dry waste landfills.

- **Building material reuse facilities** accept and resell used building materials (salvage) taken out of buildings during demolition or remodeling. *Salvaged materials have a positive value, with most salvage retailers paying for materials or providing a tax-deductible receipt.*
- **Source-separated recyclers** accept loads of already sorted materials, which are essentially 100% recyclable. *These facilities pay for materials like cardboard and metal or charge between \$5/ton - \$25/ton for materials that have well-developed local markets (wood, land clearing debris and rubble).*
- **Dry waste facilities** accept mixed loads of debris that are free of food waste and that meet their particular standards for minimum recovery content. *Tip fees at dry waste recovery facilities vary, but are usually \$65-70/ton. These facilities typically achieve a 25-50% material recovery rate.*
- **Transfer stations** process mixed dry loads for recovery and achieve an 18-35% recovery rate. *The Metro tip fee for all waste is \$70/ton; private transfer stations generally charge a slightly lower rate to attract dry waste flow.*

- **Dry waste landfills** accept loads of mixed dry waste and dispose of the debris without doing any type of post collection recovery/sorting. *Landfilling of dry waste costs \$50 to \$61/ton.*

For many generators of mixed dry waste, particularly on the west side, two dry waste landfills, Hillsboro and Lakeside, are the facilities of choice because they are the lowest cost options. Landfilling waste material is simply less costly than processing it for recovery.

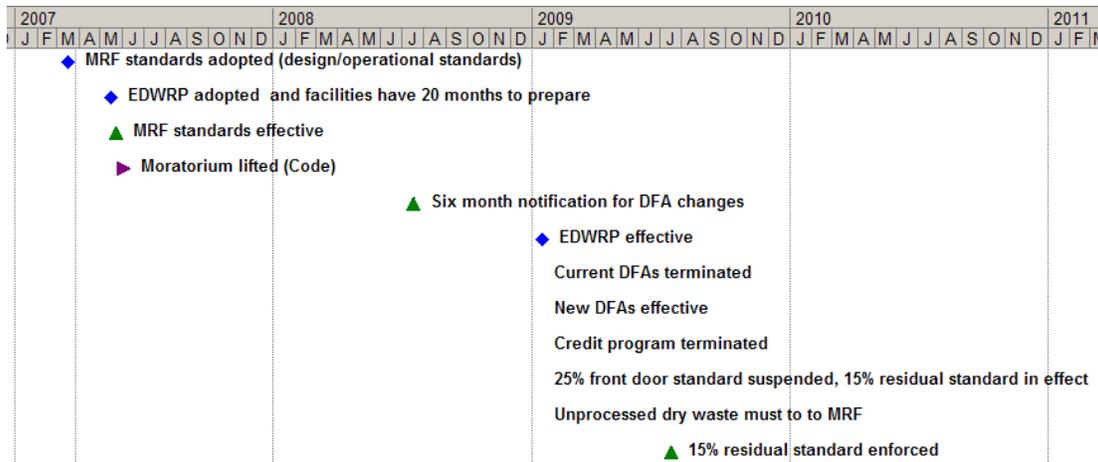
Hillsboro and Lakeside landfills collectively dispose of 125,000 tons of dry waste each year. The intent of this ordinance before Council is to spur at least 33,000 tons per year of new recovery by requiring the processing of dry waste for material recovery before landfilling.

The ordinance would affect all private facilities accepting Metro region mixed dry waste. Major provisions are as follows:

- All mixed dry waste generated in the Metro region would be required to be processed for material recovery prior to landfill disposal by January 1, 2009.
- Materials specified for recovery are those with steady markets: wood, metal and corrugated cardboard.
- The current “front door” 25% recovery requirement for dry waste facilities would be replaced by a new “back door residual” standard that would measure how effective a facility is at recovering wood, corrugated cardboard and metal. This standard would require that no more than 15% (by weight) of wood, cardboard and metal pieces (size specified) be present in the processing residual.
- The controversial Regional System Fee Credit program would end when this program takes full effect in January 2009.
- Facilities will have approximately 18 months before the required processing provision takes effect, but will have 25 months to meet the new performance requirement of this ordinance (15% “back door” residual standard) before it is enforced, beginning July 1, 2009.
- By March 1st, 2008, the Chief Operating Officer of Metro will recommend to Metro Council an additional per ton solid waste fee or surcharge that could be imposed on any designated facility (i.e., area landfill) still seeking to dispose of mixed dry waste after the program becomes effective. The recommended fee or surcharge would provide substantially equivalent disposal rates among material recovery facilities and designated facilities, eliminating current economic uncertainties for recovery and disposal facilities in Washington County.

The following timeline displays key dates in the program’s implementation and enforcement.

Figure 1
Key Dates for Dry Waste Recovery and MRF Standards



ANALYSIS/INFORMATION

1. **Known Opposition:** Lakeside landfill owner Howard Grabhorn, Washington county officials, and SWAC (most of the 9-6 majority opposing cited implementation uncertainties relative to Lakeside as the basis for their opposition).
2. **Legal Antecedents:** ORS 268.317, Metro Code Chapters 5.01, 5.05, and the Metro Charter
3. **Anticipated Effects:**

Economic Effects

EDWRP is likely to increase posted tip fees for mixed dry waste at private facilities throughout the region. The policy is to allow more operating costs to be covered by gate revenue (especially the cost of processing more material with potentially lower recovery content), and to replace revenue lost to the planned elimination of the Metro fee and tax credit programs.

The increase in recovery facility gate rate will incent additional source separated recycling as generators seek to avoid the now higher gate rate for dry waste. This increase in source separated recycling is estimated to be in the range of 5,000-10,000 additional tons per year.

Metro staff studied six types of “typical” construction projects to estimate the likely disposal cost increases for generators as a result of EDWRP:

- Residential kitchen remodel with small addition
- New single-family house
- Complete demolition of a single-family house
- Residential re-roofing job
- Commercial remodeling project

- New “big-box” commercial retail space

Cost increases in the residential sector construction projects should be well under \$100 per project; as a function of total project cost they were well under ½ of one percent increase. Residential single-family demolition costs increased more than any other project type. Total disposal costs there should increase from \$100 to over \$700 or less than 1% to almost 5% of the total job cost.

Commercial construction project costs for an office remodel should increase from \$20 to over \$200. A large “big-box” retail store should increase between \$200 and \$1,800. Because of the higher overall costs for these commercial projects, the cost increases as a percent of total project cost were small, mostly under .05%.

Environmental Effects

Enhanced Dry Waste Recovery will increase recovery in the region by a minimum of 33,000 tons of new dry waste recovery each year. This newly recovered material will serve as manufacturing feedstock in some instances, alternative fuel sources in others. In each case, the material recovered reduces the need to extract raw materials, eliminating attendant energy use and pollution associated with virgin material extraction.

As shown in Figure 2, the dry waste diverted from landfill disposal and recovered in some fashion will result in a reduction in greenhouse gases, energy consumption and airborne wastes.

Figure 2
Environmental Effects of EDWRP*

Action	Quantity	Equivalent to...
Reduce greenhouse gases by	25,931 MTCE (Metric tons of carbon equivalent)	keeping 19,567 cars off the road for a year
Reduce energy consumption by	733,971 Million BTU (British thermal units)	the energy used by 6,977 average households during a year
Reduce airborne wastes by	35,000 tons	21.8 million miles of heavy truck travel

*These benefits are projected by the National Recycling Coalition Environmental Benefits Calculator.

4. Budget impacts: Effect on the General Fund is in two parts: the base excise tax and the additional tax. The contribution to the Recovery Rate Stabilization Reserve would be reduced by about \$20,000 per year. Revenue from the additional tax (for Parks, MERC and the Zoo) would be reduced by about \$115,000 per year. Effect on the Solid Waste Fund is essentially fiscally neutral.

RECOMMENDED ACTION

The Chief Operating Officer recommends Metro Council approve Ordinance 07-1147.

CHAPTER 7.03

INVESTMENT POLICY**

SECTIONS	TITLE
7.03.010	Scope
7.03.020	General Objectives
7.03.030	Standards of Care
7.03.040	Safekeeping and Custody
7.03.050	Suitable and Authorized Investments
7.03.060	Investment Parameters
7.03.070	Reporting
7.03.080	Policy Adoption and Re-Adoption
7.03.090	List of Documents Used in Conjunction with this Policy

**Former Chapter 2.06 (readopted April 9, 1998; amended December 10, 1998; readopted April 15, 1999; readopted April 27, 2000; readopted December 11, 2001; readopted October 3, 2002; renumbered by Ordinance No. 02-976, Sec. 1; readopted June 12, 2003; amended and readopted April 7, 2005, by Ordinance No. 05-1075; readopted April 20, 2006.)

7.03.010 Scope

These investment policies apply to all cash-related assets included within the scope of Metro's audited financial statements and held directly by Metro.

Other than bond proceeds or other segregated revenues, the total of funds pooled for investments ranges from \$60 million to \$100 million with an average of \$80 million. Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to the regulations established by the state of Oregon.

Funds of Metro will be invested in compliance with the provisions of ORS 294.035 to 294.048; ORS 294.125 to 294.145; ORS 294.810; and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the 1986 Tax Reform Act provisions and any subsequent amendments thereto.

(Ordinance No. 90-365. Amended by Ordinance No. 97-684, Sec. 1; Ordinance No. 02-976, Sec. 1; Ordinance No. 05-1075.)

7.03.020 General Objectives

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment yield targets are secondary.

(a) Safety. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio and security of funds and investments. The objective will be to mitigate credit risk and interest rate risk.

(1) Credit Risk. Metro will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:

- Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
- Pre-qualifying the financial institutions, broker/dealers, and advisers with which Metro will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized. For securities not backed by the full faith and credit of the federal government, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.
- Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

(2) Interest Rate Risk. Metro will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need

to sell securities on the open market prior to maturity.

- Investing operating funds primarily in shorter-term securities or short-term investment pools.

(b) Liquidity. The investment officer shall assure that funds are constantly available to meet immediate payment requirements, including payroll, accounts payable and debt service.

(c) Yield. The investment portfolio shall be designed with the objective of regularly exceeding the average return on 90-day U.S. Treasury Bills. The investment program shall seek to augment returns above this level, consistent with risk limitations described in this policy and prudent investment principles.

This policy shall not preclude the sale of securities prior to their maturity in order to improve the quality, net yield, or maturity characteristic of the portfolio.

(d) Legality. Funds will be deposited and invested in accordance with statutes, ordinances and policies governing Metro.

Ordinance No. 87-228, Sec. 3. Amended by Ordinance No. 90-365; Ordinance No. 02-976, Sec. 1; Ordinance No. 05-1075.)

7.03.030 Standards of Care

(a) Prudence. The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall portfolio.

(b) Delegation of Authority. The Chief Operating Officer is the investment officer of Metro. The authority for investing Metro funds is vested with the investment officer, who, in turn, designates the investment manager to manage the day-to-day operations of Metro's investment portfolio, place purchase orders and sell orders with dealers and financial institutions, and prepare reports as required.

(c) Investment Advisory Board (IAB). There shall be an investment advisory board composed of five (5) members.

- (1) Terms of Service. The term of service for citizens appointed to the IAB shall be three (3) calendar years. The term of appointment shall be staggered so that not more than two (2) members' terms expire in any calendar year.
- (2) Appointment. The investment officer shall recommend to the Council for confirmation the names of persons for appointment to the IAB.
- (3) Duties. The IAB shall meet quarterly. The IAB will serve as a forum for discussion and act in an advisory capacity for investment strategies, banking relationships, the legality and probity of investment activities and the establishment of written procedures for the investment operations.

(d) Quarterly Reports. At each quarterly meeting, a report reflecting the status of the portfolio will be submitted for review and comment by at least three (3) members of the IAB. Discussion and comment on the report will be noted in minutes of the meeting. If concurrence is not obtained, notification will be given to the investment officer, including comments by the IAB.

(e) Monitoring the Portfolio. The investment manager will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, and benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly.

(f) Indemnity Clause. Metro shall indemnify the investment officer, chief financial officer, investment manager, staff and the IAB members from personal liability for losses that might occur pursuant to administering this investment policy.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported to the council as soon as practicable.

(g) Accounting Method. Metro shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained

in the pronouncements of authoritative bodies, including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

(Ordinance No. 05-1075.)

7.03.040 Safekeeping and Custody

(a) Authorized Financial Dealers and Institutions. The investment officer shall maintain a listing of all authorized dealers and financial institutions that are approved for investment purposes. Financial institutions must have a branch in Oregon. Any firm is eligible to apply to provide investment services to Metro and will be added to the list if the selection criteria are met. Additions or deletions to the list will be made by the investment officer and reviewed by the IAB. At the request of the investment officer, the firms performing investment services for Metro shall provide their most recent financial statements or Consolidated Report of Condition (call report) for review. Further, there should be in place proof as to all the necessary credentials and licenses held by employees of the broker/dealers who will have contact with Metro, as specified by but not necessarily limited to the National Association of Securities Dealers (NASD), Securities and Exchange Commission (SEC), etc. At minimum, the investment officer and the IAB shall conduct an annual evaluation of each firm's qualifications to determine whether it should be on the authorized list.

Securities dealers not affiliated with a Qualified Financial Institution, as defined in ORS 294.035, will be required to have headquarters located in the states of Oregon, Washington or Idaho and, if not headquartered in the state of Oregon, to have an office located in Oregon. Notwithstanding the above, securities dealers who are classified as primary dealers with the New York Federal Reserve Bank are also eligible.

(b) Internal Controls. The investment officer shall maintain a system of written internal controls, which shall be reviewed annually by the IAB and the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation or imprudent actions.

Metro's independent auditor at least annually shall audit investments according to generally accepted auditing standards and this ordinance.

(c) Delivery vs. Payment. All securities purchased pursuant to this investment policy will be delivered by either book entry or physical delivery to a third party for safekeeping by a bank designated as custodian. Purchase and sale of all securities will be on a payment versus delivery basis. Delivery versus payment will also be required for all repurchase transactions and with the collateral priced and limited in maturity in compliance with ORS 294.035(11).

(d) Safekeeping. The trust department of the bank designated as custodian will be considered to be a third party for the purposes of safekeeping of securities purchased from that bank. The custodian shall issue a safekeeping receipt to Metro listing the specific instrument, rate, maturity and other pertinent information.

Notwithstanding the preceding, an exception to the delivery versus payment policy is made when purchasing State and Local Government Series Securities (SLGS) from the United States Treasury's Bureau of Public Debt to satisfy arbitrage yield restriction requirements of the Internal Revenue Code for tax-exempt bond issues.

(Ordinance No. 05-1075.)

7.03.050 Suitable and Authorized Investments

(Definitions of terms and applicable authorizing statutes are listed in the "Summary of Investments Available to Municipalities" provided by the State Treasurer.)

(a) Investment Types. The following investments are permitted by this policy and ORS 294.035 and 294.810.

- (1) U.S. Treasury Bills, Notes, Bonds, Strips
(Separate Trading of Registered Interest and Principal of Securities) and/or State and Local Government Series Securities (SLGS)
- (2) Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises
- (3) Certificates of Deposit (CD) from commercial banks in Oregon and insured by the Federal Deposit Insurance Corporation (FDIC)
- (4) Repurchase Agreements (Repo's)
- (5) Banker's Acceptances (BA)

(Effective 7/19/06)

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- (6) Commercial Paper (CP) issued by a financial institution, commercial, industrial or utility business enterprise
- (7) State of Oregon and Local Government Securities with A ratings or better
- (8) State of Oregon Investment Pool
- (9) Market Interest Accounts and Checking Accounts

(b) Collateralization. Deposit-type securities (i.e., Certificates of Deposit) shall be collateralized through the state collateral pool as required by ORS 295.015 and ORS 295.018 for any amount exceeding FDIC coverage, recognizing that ORS 295.015 requires only 25 percent collateralization and ORS 295.018 requires 110 percent collateralization when the institution is notified by the State Treasurer.

(Ordinance No. 05-1075.)

7.03.060 Investment Parameters

(a) Diversification by Maturity. Only investments which can be held to maturity shall be purchased. Investments shall not be planned or made predicated upon selling the security prior to maturity. This restriction does not prohibit the use of repurchase agreements under ORS 294.135(2).

Maturity limitations shall depend upon whether the funds being invested are considered short-term or long-term funds. All funds shall be considered short-term, except those reserved for capital projects (e.g., bond sale proceeds).

(1) Short-Term Funds.

- (A) Investment maturities for operating funds and bond reserves shall be scheduled to meet projected cash flow needs. Funds considered short-term will be invested to coincide with projected cash needs or with the following serial maturity:

25% minimum to mature under three months
75% minimum to mature under 18 months
100% minimum to mature under five years

- (B) Investments may not exceed five (5) years. Investment maturities beyond 18 months may be made when supported by cash flow projections which reasonably demonstrate that liquidity requirement will be met. Maturities beyond 18 months will be limited to direct U.S. Treasury obligations.

(2) Long-Term Funds.

- (A) Maturity scheduling shall be timed according to anticipated need. ORS 294.135 permits investment beyond 18 months for any bond proceeds or funds accumulated for any purpose that the district is permitted by state law to accumulate and hold funds for a period exceeding one (1) year. The maturities should be made to coincide as nearly as practicable with the expected use of the funds.
- (B) Investment of capital project funds shall be timed to meet projected contractor payments. The drawdown schedule used to guide the investment of the funds shall evidence the approval of the investment officer and review of the Chief Financial Officer.

(b) Diversification by Investment. The investment officer will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities.

The maximum percentages of the portfolio and the maximum maturities for investments are as follows:

Security	Maximum Percent of Portfolio	Maximum Maturity
U.S. Treasury Bills, Notes, Bonds, Strips and/or State and Local Government Series (SLGS)	100%	
Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises	100%	

(Effective 7/19/06)

Certificates of Deposit (CD) Commercial Banks in Oregon Insured by FDIC	100%	
Repurchase Agreements (Repo's)	50%	90-day maturity
Bankers Acceptances (BA)	100%	
Commercial Paper (CP) - Issued by a financial institution, commercial, industrial, or utility business enterprise. For a corporation headquartered in Oregon For a corporation headquartered outside of Oregon	35%	A-1 and P-1 only, 90-day maturity; A-2 and P-2, A-1/P-2, or A-2/P1, 60-day maturity A-1 and P-1 only; 90-day maturity
State of Oregon and Local Government Securities with A ratings or better	25%	
State of Oregon Investment Pool	100%	
Market Interest Accounts and Checking Accounts	Minimum necessary for daily cash management efficiency	

(c) Diversification by Financial Institution.

- (1) Qualified Institutions. The investment officer shall maintain a listing of financial institutions and securities dealers recommended by the IAB. Any financial institution and/or securities dealer is eligible to make an application to the

investment officer and upon due consideration and approval hold available funds.

A listing of the eligible institutions shall be held by the investment officer and provided any fiduciary agent or trustee.

- (2) Diversification Requirements. The combination of investments in Certificates of Deposit and Banker's Acceptances invested with any one institution shall not exceed 25 percent of the total available funds or 15 percent of the equity of the institution.

The following limitations avoid over-concentration in securities from a specific issuer or business sector:

Type of Security	Limitation
U.S. Government Treasuries	No limitations
U.S. Government Agencies	Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises as defined under ORS 294.035 and/or 294.040. No more than 40 percent of the portfolio in any one agency.
Certificates of Deposit - Commercial Banks	No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.
Repurchase Agreements	May be purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met. All repurchase agreements will be fully collateralized by general obligations of the U.S. Government, the agencies and instrumentalities of the United States or enterprises sponsored by the United States government, marked to market. The investment officer shall not enter into any reverse repurchase agreements.
Bankers Acceptances	Must be guaranteed by, and carried on the books of, a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally

	<p>recognized statistical rating organizations.</p> <p>Qualified institution means:</p> <p>i) A financial institution that is located and licensed to do banking business in the state of Oregon; or</p> <p>ii) A financial institution located in the states of California, Idaho, or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the state of Oregon.</p> <p>No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.</p>
Commercial Paper	No more than 5 percent of the total portfolio with any one corporate entity.
State and Local Government Securities	No more than 15 percent of the total portfolio in any one local entity.
State of Oregon Investment Pool	Not to exceed the maximum amount established in accordance with ORS 294.810, with the exception of pass-through funds (in and out within 10 days)

(d) Total Prohibitions. The investment officer may not make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction and may not agree to invest funds or sell securities for a fee other than interest. Purchase of standby or forward commitments of any sort are specifically prohibited.

(e) Adherence to Investment Diversification. Diversification requirements must be met on the day an investment transaction is executed. If due to unanticipated cash needs, investment maturities or marking the portfolio to market, the investment in any security type, financial issuer or maturity spectrum later exceeds the limitations in the policy, the investment officer is responsible for bringing the investment portfolio back into compliance as soon as is practical.

(f) Competitive Selection of Investment Instruments. Before the investment officer invests any surplus funds, a competitive offering solicitation shall be conducted orally. Offerings will be requested from financial institutions for various options with regards to term and instrument. The investment officer will accept the offering, which provides the highest rate of return within the maturity required and within the prudent investor rule. Records will be kept of offerings and the basis for making the investment decision.

(Ordinance No. 05-1075.)

7.03.070 Reporting

(a) Methods. A transaction report shall be prepared by the investment manager not later than one business day after the transaction, unless a trustee, operating under a trust agreement, has executed the transaction. The trustee agreement shall provide for a report of transactions to be submitted by the trustee on a monthly basis.

Quarterly reports shall be prepared for each regular meeting of the IAB to present historical information for the past 12-month period. Copies shall be provided to the Chief Operating Officer and the Metro Council.

(b) Performance Standards. The overall performance of Metro's investment program is evaluated quarterly by the IAB using the objectives outlined in this policy. The quarterly report which confirms adherence to this policy shall be provided to the Metro Council as soon as practicable.

The performance of Metro's portfolio shall be measured by comparing the average yield of the portfolio at month-end against the performance of the 90-day U.S. Treasury Bill issue maturing closest to 90 days from month-end and the Local Government Investment Pool's monthly average yield.

(Ordinance No. 05-1075.)

7.030.080 Policy Adoption and Re-adoption

(a) The investment policy must be reviewed by the IAB and the Oregon Short-Term Fund Board prior to adoption by the Metro Council. Adoption of this policy supersedes any other previous Council action or policy regarding Metro's investment management practices.

(Effective 7/19/06)

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(b) This policy shall be subject to review and re-adoption annually by the Metro Council in accordance with ORS 294.135.

(Ordinance No. 05-1075.)

7.030.090 List of Documents Used in Conjunction with this Policy

The following documents are used in conjunction with this policy and are available from the investment manager upon request:

- List of Authorized Brokers and Dealers
- List of Primary Dealers
- Calendar of Federal Reserve System Holidays
- Calendar of Local Government Investment Pool Holidays
- Broker/Dealer Request for Information
- Oregon State Treasury's Summary of Liquid Investments Available to Local Governments for Short-Term Fund Investment
- Oregon State Treasury's U.S. Government and Agency Securities for Local Government Investment Under ORS 294.035 and 294.040
- Oregon State Treasury's List of Qualified Depositories for Public Funds
- Attorney General's letter of advice: Certificates of Deposit, ORS 294.035 and ORS 295
- Oregon Revised Statute Chapter 294 - County and Municipal Financial Administration
- Oregon Revised Statute Chapter 295 - Depositories of Public Funds and Securities
- Government Finance Officers Association Glossary of Cash Management Terms

(Ordinance No. 05-1075.)

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 07-1149 FOR THE PURPOSE OF RE-ADOPTING METRO CODE 7.03 (INVESTMENT POLICY) AND DECLARING AN EMERGENCY

Date: June 7, 2007

Prepared by: Brian Williams

BACKGROUND

Metro Code, Chapter 7.03 contains the Investment Policy that applies to all cash-related assets held by Metro. This Investment Policy is being submitted to Council for review and re-adoption in accordance with Section 7.03.160 of Metro Code.

The format of Metro's Investment Policy conforms to the Oregon State Treasury's Sample Investment Policy for Local Governments and the Government Finance Officers Association's (GFOA) Sample Investment Policy. This allows Metro's policy to be readily compared to investment policies of other local governments that have adopted the same GFOA format.

No change to investment policy is proposed as a part of this re-adoption.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro Code, Chapter 7.03, Investment Policy, Section 7.030.080(b) proscribes that the policy shall be subject to review and re-adoption annually by the Metro Council in accordance with ORS 294.135.

Chapter 7.03 was formerly Chapter 2.06 (readopted April 9, 1998; amended December 10, 1998; readopted April 15, 1999; readopted April 27, 2000; readopted December 11, 2001; readopted October 3, 2002; renumbered by Ordinance No. 02-976, Sec. 1; readopted June 12, 2003; amended and readopted April 7, 2005, by Ordinance No. 05-1075; readopted April 20, 2006, by Ordinance 06-1114).

3. **Anticipated Effects:** N/A
4. **Budget Impacts:** N/A

RECOMMENDED ACTION: Staff recommends re-adoption of Metro Code Chapter 7.03 by Ordinance No. 07-1149.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY) ORDINANCE NO. 07-1156
2006-07 BUDGET AND APPROPRIATIONS)
SCHEDULE PROVIDING ADDITIONAL) Introduced by Mike Jordan, Chief Operating
APPROPRIATION AUTHORITY FOR ZOO) Officer, with the concurrence of Council
OPERATIONS AND MERC OPERATIONS, AND) President Bragdon
DECLARING AN EMERGENCY)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2006-07 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. That the FY 2006-07 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of amending the General Fund to provide additional appropriation authority for expenditures at the Oregon Zoo and amending the MERC Operating Fund to provide additional operating appropriations.
- 2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____, 2007.

David Bragdon, Council President

Attest:

Approved as to Form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

**Exhibit A
Ordinance No. 07-1156**

ACCT	DESCRIPTION	<u>Current Budget</u>		<u>Revision</u>		<u>Amended Budget</u>	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Resources							
<u>Resources</u>							
<i>BEGBAL</i>	<i>Beginning Fund Balance</i>						
3500	Beginning Fund Balance						
	* Prior year ending balance		7,821,384		0		7,821,384
	* Undesignated		1,425,437		0		1,425,437
	* Cash Flow Reserve		936,668		0		936,668
	* Project Carryover		2,214,833		0		2,214,833
	* Tourism Opportunity & Comp. Account		715,658		0		715,658
	* Recovery Rate Stabilization Reserve		1,191,247		0		1,191,247
	* Reserve for Future Debt Service		1,728,371		0		1,728,371
	* Reserved for Parks (prior year per ton)		217,000		0		217,000
	* Prior year PERS Reserve		4,040,126		0		4,040,126
<i>EXCISE</i>	<i>Excise Tax</i>						
4050	Excise Taxes		14,588,507		0		14,588,507
4055	Construction Excise Tax		2,000,000		0		2,000,000
<i>RPTAX</i>	<i>Real Property Taxes</i>						
4010	Real Property Taxes-Current Yr		9,397,215		0		9,397,215
4015	Real Property Taxes-Prior Yrs		281,916		0		281,916
<i>GRANTS</i>	<i>Grants</i>						
4100	Federal Grants - Direct		5,203,777		0		5,203,777
4105	Federal Grants - Indirect		4,987,781		0		4,987,781
4110	State Grants - Direct		1,688,308		0		1,688,308
4120	Local Grants - Direct		10,787,682		0		10,787,682
4125	Local Grants - Indirect		64,000		0		64,000
<i>LGSHRE</i>	<i>Local Gov't Share Revenues</i>						
4135	Marine Board Fuel Tax		120,822		0		120,822
4139	Other Local Govt Shared Rev.		387,225		0		387,225
<i>GVCNTB</i>	<i>Contributions from Governments</i>						
4145	Government Contributions		165,300		0		165,300
<i>LICPER</i>	<i>Licenses and Permits</i>						
4150	Contractor's Business License		405,000		0		405,000
<i>CHGSVC</i>	<i>Charges for Service</i>						
4160	Boat Ramp Use Permits		500		0		500
4165	Boat Launch Fees		150,000		0		150,000
4180	Contract & Professional Service		209,860		0		209,860
4200	UGB Fees		50,000		0		50,000
4230	Product Sales		225,600		0		225,600
4280	Grave Openings		165,000		0		165,000
4285	Grave Sales		138,000		0		138,000
4500	Admission Fees		6,432,456		0		6,432,456
4510	Rentals		758,645		0		758,645
4550	Food Service Revenue		4,276,698		0		4,276,698
4560	Retail Sales		1,922,987		0		1,922,987
4580	Utility Services		2,142		0		2,142
4610	Contract Revenue		840,976		0		840,976
4620	Parking Fees		503,047		0		503,047
4630	Tuition and Lectures		859,875		0		859,875
4635	Exhibit Shows		460,000		0		460,000
4640	Railroad Rides		494,884		0		494,884
4645	Reimbursed Services		232,558		0		232,558

Exhibit A
Ordinance No. 07-1156

ACCT	DESCRIPTION	<u>Current Budget</u>		<u>Revision</u>		<u>Amended Budget</u>	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Resources							
4650	Miscellaneous Charges for Service		29,753		0		29,753
4760	Sponsorships		14,000		0		14,000
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		692,412		0		692,412
<i>DONAT</i>	<i>Contributions from Private Sources</i>						
4750	Donations and Bequests		1,259,990		0		1,259,990
4670	Charges for Service		108,394		0		108,394
<i>INCGRV</i>	<i>Internal Charges for Service</i>						
4670	Charges for Service		1,246,998		0		1,246,998
<i>MISCRV</i>	<i>Miscellaneous Revenue</i>						
4170	Fines and Forfeits		25,000		0		25,000
4890	Miscellaneous Revenue		205,008		0		205,008
<i>INFREQ</i>	<i>Special Items-Infrequent Items</i>						
4810	Sale of Fixed Assets		2,000		0		2,000
<i>EQTREV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from MERC Operating Fund		2,447,956		(500,000)		1,947,956
	* from MERC Pooled Capital Fund		76,196		0		76,196
	* from Metro Capital Fund-Zoo Projects		11,955		0		11,955
	* from Open Spaces Fund		62,443		0		62,443
	* from Risk Management Fund		37,599		0		37,599
	* from Solid Waste Revenue Fund		1,591,663		0		1,591,663
<i>INDTRV</i>	<i>Interfund Reimbursements</i>						
4975	Transfer for Indirect Costs						
	* from MERC Operating Fund		1,726,466		0		1,726,466
	* from Open Spaces Fund		326,520		0		326,520
	* from Solid Waste Revenue Fund		3,650,734		0		3,650,734
<i>INTSRV</i>	<i>Internal Service Transfers</i>						
4980	Transfer for Direct Costs						
	* from MERC Operating Fund		73,585		0		73,585
	* from Smith & Bybee Lakes Fund		20,000		0		20,000
	* from Solid Waste Revenue Fund		508,935		0		508,935
TOTAL RESOURCES			\$102,209,092		(\$500,000)		\$101,709,092

**Exhibit A
Ordinance No. 07-1156**

ACCT	DESCRIPTION	<u>Current Budget</u>		<u>Revision</u>		<u>Amended Budget</u>	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Oregon Zoo Department							
<i>Personal Services</i>							
SALWGE	<i>Salaries & Wages</i>						
5010	Reg Employees-Full Time-Exempt						
	Administrative Assistant	3.00	121,306	-	0	3.00	121,306
	Associate Public Affairs Specialist	1.00	59,115	-	0	1.00	59,115
	Director II	1.00	120,394	-	0	1.00	120,394
	Events Coordinator	1.00	51,885	-	0	1.00	51,885
	Graphics/Exhibit Designer	1.00	53,638	-	0	1.00	53,638
	Management Technician	2.00	90,779	-	0	2.00	90,779
	Manager I	4.00	287,851	-	0	4.00	287,851
	Manager II	1.00	76,811	-	0	1.00	76,811
	Program Analyst II	2.00	102,782	-	0	2.00	102,782
	Program Analyst III	3.00	176,594	-	0	3.00	176,594
	Program Director II	2.00	208,823	-	0	2.00	208,823
	Program Supervisor II	3.00	232,055	-	0	3.00	232,055
	Project Coordinator	1.00	65,206	-	0	1.00	65,206
	Research Coordinator II	1.00	54,575	-	0	1.00	54,575
	Service Supervisor I	1.00	42,848	-	0	1.00	42,848
	Service Supervisor II	10.00	477,884	-	0	10.00	477,884
	Service Supervisor III	5.00	293,614	-	0	5.00	293,614
	Service Supervisor IV	1.00	63,324	-	0	1.00	63,324
	Veterinarian I	1.00	62,288	-	0	1.00	62,288
	Veterinarian II	1.00	79,098	-	0	1.00	79,098
5015	Reg Empl-Full Time-Non-Exempt						
	Administrative Assistant III	1.00	42,927	-	0	1.00	42,927
	Administrative Secretary	3.00	116,448	-	0	3.00	116,448
	Animal Keeper	29.00	1,251,002	-	0	29.00	1,251,002
	Custodian	6.00	228,992	-	0	6.00	228,992
	Education Coordinator I	4.00	158,770	-	0	4.00	158,770
	Exhibits Lead	1.00	57,023	-	0	1.00	57,023
	Exhibits Technician II	1.00	46,437	-	0	1.00	46,437
	Gardener I	6.00	249,054	-	0	6.00	249,054
	Maintenance Electrician	1.00	64,561	-	0	1.00	64,561
	Maintenance Lead	1.00	57,023	-	0	1.00	57,023
	Maintenance Technician	2.00	109,202	-	0	2.00	109,202
	Maintenance Worker 2	9.00	417,933	-	0	9.00	417,933
	Nutrition Technician	1.00	43,138	-	0	1.00	43,138
	Program Assistant I	4.00	123,652	-	0	4.00	123,652
	Receptionist	1.00	31,466	-	0	1.00	31,466
	Security Officer I	4.00	109,432	-	0	4.00	109,432
	Senior Animal Keeper	6.00	282,630	-	0	6.00	282,630
	Senior Gardener	1.00	49,527	-	0	1.00	49,527
	Storekeeper	1.00	44,140	-	0	1.00	44,140
	Typist/Receptionist-Lead	1.00	32,719	-	0	1.00	32,719
	Veterinary Technician	2.00	86,276	-	0	2.00	86,276
	Volunteer Coordinator I	2.00	97,426	-	0	2.00	97,426
5020	Reg Emp-Part Time-Exempt						
	Graphics/Exhibit Designer	0.50	26,819	-	0	0.50	26,819
	Video/Photography Technician	0.50	24,350	-	0	0.50	24,350

Exhibit A
Ordinance No. 07-1156

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Oregon Zoo Department							
5025	Reg Employees-Part Time-Non-Exempt						
	Administrative Secretary	0.60	24,029	-	0	0.60	24,029
	Animal Keeper-PT	2.00	86,276	-	0	2.00	86,276
	Clerk/Bookkeeper	0.75	24,868	-	0	0.75	24,868
	Food Service/Retail Specialist	3.90	144,562	-	0	3.90	144,562
	Lead Cash Office Clerk	0.85	29,586	-	0	0.85	29,586
	Maintenance Worker 2-PT	1.75	81,265	-	0	1.75	81,265
	Office Assistant	0.70	19,980	-	0	0.70	19,980
	Program Assistant 1	1.25	43,300	-	0	1.25	43,300
	Program Assistant 2	0.50	21,057	-	0	0.50	21,057
	Public Relations Support Specialist	0.63	27,859	-	0	0.63	27,859
	Security Officer I	0.50	15,733	-	0	0.50	15,733
	Typist/Receptionist Reg.(Part Time)	0.85	26,498	-	0	0.85	26,498
	Visitor Service Worker 3-reg	0.85	24,262	-	0	0.85	24,262
5030	Temporary Employees		1,013,793		136,000		1,149,793
5040	Seasonal Employees		1,213,613		17,000		1,230,613
5080	Overtime		255,694		17,000		272,694
5089	Salary Adjustments						
	Salary Adjustment Pool (non-represented)		142,426		0		142,426
	Step Increases (AFSCME)		41,343		0		41,343
	COLA (represented employees)		116,684		0		116,684
<i>FRINGE</i>	<i>Fringe Benefits</i>						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		3,281,786		30,000		3,311,786
5190	PERS Bond Recovery		272,303		0		272,303
Total Personal Services		148.13	\$13,378,734	0.00	\$200,000	148.13	\$13,578,734
<u>Materials & Services</u>							
<i>GOODS</i>	<i>Goods</i>						
5201	Office Supplies		90,490		0		90,490
5205	Operating Supplies		1,177,627		20,000		1,197,627
5210	Subscriptions and Dues		37,695		0		37,695
5214	Fuels and Lubricants		50,000		0		50,000
5215	Maintenance & Repairs Supplies		330,710		0		330,710
5220	Food		1,004,344		90,000		1,094,344
<i>SVCS</i>	<i>Services</i>						
5245	Marketing		5,000		0		5,000
5240	Contracted Professional Svcs		1,259,113		80,000		1,339,113
5251	Utility Services		2,165,730		0		2,165,730
5255	Cleaning Services		37,600		0		37,600
5260	Maintenance & Repair Services		116,725		0		116,725
5265	Rentals		163,130		0		163,130
5270	Insurance		0		0		0
5280	Other Purchased Services		701,130		20,000		721,130
5290	Operations Contracts		1,543,797		90,000		1,633,797
<i>CAPMNT</i>	<i>Capital Maintenance</i>						
5262	Capital Maintenance - Non-CIP		269,950		0		269,950
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		26,145		0		26,145

**Exhibit A
Ordinance No. 07-1156**

ACCT	DESCRIPTION	<u>Current Budget</u>		<u>Revision</u>		<u>Amended Budget</u>	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Oregon Zoo Department							
<i>OTHEXP</i>	<i>Other Expenditures</i>						
	5450 Travel		71,064		0		71,064
	5455 Staff Development		25,847		0		25,847
	5490 Miscellaneous Expenditures		53,800		0		53,800
	Total Materials & Services		\$9,129,897		\$300,000		\$9,429,897
	Total Capital Outlay		\$308,394		\$0		\$308,394
	TOTAL REQUIREMENTS	148.13	\$22,817,025	0.00	\$500,000	148.13	\$23,317,025

Exhibit A
Ordinance No. 07-1156

ACCT	DESCRIPTION	<u>Current Budget</u>		<u>Revision</u>		<u>Amended Budget</u>	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Non-Departmental							
Total Personal Services		4.00	\$454,058	0.00	\$0	4.00	\$454,058
<i><u>Materials & Services</u></i>							
<i>GOODS Goods</i>							
	5201 Office Supplies		20,780		0		20,780
	5205 Operating Supplies		4,370		0		4,370
	5210 Subscriptions and Dues		32,500		0		32,500
	5215 Maintenance & Repairs Supplies		7,500		0		7,500
<i>SVCS Services</i>							
	5240 Contracted Professional Svcs		413,450		0		413,450
	5246 Sponsorships		30,000		0		30,000
	5251 Utility Services		1,000		0		1,000
	5280 Other Purchased Services		186,640		0		186,640
	5290 Operations Contracts		250		0		250
<i>IGEXP Intergov't Expenditures</i>							
	5300 Payments to Other Agencies		11,320,046		(500,000)		10,820,046
	5305 Election Expenses		300,000		0		300,000
<i>OTHEXP Other Expenditures</i>							
	5445 Grants		1,175,000		0		1,175,000
	5450 Travel		6,000		0		6,000
	5455 Staff Development		2,000		0		2,000
	5490 Miscellaneous Expenditures		50,000		0		50,000
Total Materials & Services			\$13,549,536		(\$500,000)		\$13,049,536
Total Debt Service			\$1,198,898		\$0		\$1,198,898
TOTAL REQUIREMENTS		4.00	\$15,202,492	0.00	(\$500,000)	4.00	\$14,702,492

Exhibit A
Ordinance No. 07-1156

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
Total Interfund Transfers			\$7,803,692		\$0		\$7,803,692
<i><u>Contingency & Unappropriated Balance</u></i>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* General Contingency		1,189,899		(500,000)		689,899
	* General Reserve		5,848,983		0		5,848,983
	* Tourism Opportunity & Comp. Account		43,307		0		43,307
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Undesignated		42,000		0		42,000
	* Recovery Rate Stabilization reserve		1,982,748		0		1,982,748
	* Computer Replacement Reserve (Planning)		90,000		0		90,000
	* Tibbets Flower Account		278		0		278
	* Reserve for Future Debt Service		1,867,516		0		1,867,516
Total Contingency & Unappropriated Balance			\$11,064,731		(\$500,000)		\$10,564,731
TOTAL REQUIREMENTS		403.83	\$102,209,092	0.00	(\$500,000)	403.83	\$101,709,092

**Exhibit A
Ordinance No. 07-1156**

ACCT	DESCRIPTION	Current Budget		Revision		Current Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
MERC Operating Fund							
Total MERC Operating Fund							
<i><u>Resources</u></i>							
<i>BEGBAL Beginning Fund Balance</i>							
	* MERC Admin		130,602		0		130,602
	* Expo Center		3,102,543		0		3,102,543
	* Oregon Convention Center		5,692,249		0		5,692,249
	* Portland Center for the Performing Arts		4,268,924		0		4,268,924
<i>LGSHRE Local Gov't Share Revenues</i>							
4130	Hotel/Motel Tax		8,794,328		0		8,794,328
4142	Intergovernment Misc. Revenue		43,955		0		43,955
<i>GVCNTB Contributions from Governments</i>							
4145	Government Contributions		687,200		0		687,200
<i>CHGSVC Charges for Service</i>							
4500	Admission Fees		1,462,000		0		1,462,000
4510	Rentals		5,394,504		0		5,394,504
4550	Food Service Revenue		11,496,309		748,892		12,245,201
4560	Retail Sales		32,750		0		32,750
4570	Merchandising		37,400		0		37,400
4575	Advertising		95,870		0		95,870
4580	Utility Services		2,306,685		0		2,306,685
4590	Commissions		512,900		0		512,900
4620	Parking Fees		2,390,415		0		2,390,415
4645	Reimbursed Services		2,589,361		0		2,589,361
4647	Reimbursed Services - Contract		279,582		0		279,582
4650	Miscellaneous Charges for Svc		87,290		0		87,290
<i>INTRST Interest Earnings</i>							
4700	Interest on Investments		355,642		0		355,642
<i>DONAT Contributions from Private Sources</i>							
4760	Sponsorship Revenue		181,270		0		181,270
<i>MISCRV Miscellaneous Revenue</i>							
4805	Financing Transaction		3,000		0		3,000
4890	Miscellaneous Revenue		72,000		0		72,000
TOTAL RESOURCES			\$50,016,779		\$748,892		\$50,765,671
Total Personal Services		161.00	\$15,441,793	0.00	\$0	161.00	\$15,441,793
<i><u>Materials & Services</u></i>							
<i>GOODS Goods</i>							
5201	Office Supplies		201,911		0		201,911
5205	Operating Supplies		317,001		0		317,001
5210	Subscriptions and Dues		25,902		0		25,902
5214	Fuels and Lubricants		10,350		0		10,350
5215	Maintenance & Repairs Supplies		131,700		0		131,700
5225	Retail		12,000		0		12,000
<i>SVCS Services</i>							
5240	Contracted Professional Svcs		778,412		0		778,412
5245	Marketing Expense		2,024,375		0		2,024,375
5247	POVA Pass-Through		385,239		0		385,239
5251	Utility Services		2,299,479		0		2,299,479
5255	Cleaning Services		16,950		0		16,950
5260	Maintenance & Repair Services		517,970		0		517,970
5265	Rentals		489,634		0		489,634
5280	Other Purchased Services		350,722		0		350,722
5281	Other Purchased Services - Reimb		262,794		0		262,794
5291	Food and Beverage Services		9,022,996		500,000		9,522,996
5292	Parking Services		205,011		0		205,011

Exhibit A
Ordinance No. 07-1156

ACCT	DESCRIPTION	Current Budget		Revision		Current Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
MERC Operating Fund							
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		88,872		0		88,872
5310	Taxes (Non-Payroll)		7,000		0		7,000
<i>OTHEXP</i>	<i>Other Expenditures</i>						
5450	Travel		85,513		0		85,513
5455	Staff Development		80,264		0		80,264
5480	Fee Reimbursements		40,300		0		40,300
5490	Miscellaneous Expenditures		132,022		0		132,022
Total Materials & Services			\$17,486,417		\$500,000		\$17,986,417
Total Debt Service			\$18,899		\$0		\$18,899
Total Capital Outlay			\$40,000		\$0		\$40,000
<u>Interfund Transfers</u>							
<i>INDTEX</i>	<i>Interfund Reimbursements</i>						
5800	Transfer for Indirect Costs						
	* to General Fund-Support Services		1,638,141		0		1,638,141
	* to General Fund		88,325		0		88,325
	* to Risk Management Fund - Liability		451,971		0		451,971
	* to Risk Management Fund - Workers Comp.		112,196		0		112,196
<i>INTCHG</i>	<i>Internal Service Transfers</i>						
5820	Transfer for Direct Costs						
	to General Fund-Support Services		73,584		0		73,584
<i>EQTCHG</i>	<i>Fund Equity Transfers</i>						
5810	Transfer of Resources						
	* to MERC Pooled Capital		423,903		0		423,903
	* to General Fund (Pension Obligation)		2,447,956		(500,000)		1,947,956
	* to General Revenue Bond Fund		852,800		0		852,800
Total Interfund Transfers			\$6,088,876	0.00	(\$500,000)		\$5,588,876
<u>Contingency and Ending Balance</u>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* General Contingency		259,037		0		259,037
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
	* Restricted Fund Balance (User Fees)		840,445		0		840,445
	* Ending Balance		9,841,312		748,892		10,590,204
Total Contingency and Ending Balance			\$10,940,794		\$748,892		\$11,689,686
TOTAL REQUIREMENTS		161.00	\$50,016,779	0.00	\$748,892	161.00	\$50,765,671

Exhibit B
Ordinance No. 07-1156
FY 2006-07 SCHEDULE OF APPROPRIATIONS

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Amended</u> <u>Appropriation</u>
GENERAL FUND			
Council Office			
Operating Expenses (PS & M&S)	1,775,095	0	1,775,095
Subtotal	1,775,095	0	1,775,095
Finance & Administrative Services			
Operating Expenses (PS & M&S)	7,374,001	0	7,374,001
Capital Outlay	205,150	0	205,150
Subtotal	7,579,151	0	7,579,151
Human Resources			
Operating Expenses (PS & M&S)	1,527,312	0	1,527,312
Subtotal	1,527,312	0	1,527,312
Metro Auditor			
Operating Expenses (PS & M&S)	579,455	0	579,455
Subtotal	579,455	0	579,455
Office of Metro Attorney			
Operating Expenses (PS & M&S)	1,582,475	0	1,582,475
Subtotal	1,582,475	0	1,582,475
Oregon Zoo			
Operating Expenses (PS & M&S)	22,508,631	500,000	23,008,631
Capital Outlay	308,394	0	308,394
Subtotal	22,817,025	500,000	23,317,025
Planning			
Operating Expenses (PS & M&S)	23,822,826	0	23,822,826
Debt Service	29,250	0	29,250
Subtotal	23,852,076	0	23,852,076
Public Affairs & Government Relations			
Operating Expenses (PS & M&S)	1,390,721	0	1,390,721
Subtotal	1,390,721	0	1,390,721
Regional Parks & Greenspaces			
Operating Expenses (PS & M&S)	6,934,866	0	6,934,866
Capital Outlay	100,000	0	100,000
Subtotal	7,034,866	0	7,034,866

Exhibit B
Ordinance No. 07-1156
FY 2006-07 SCHEDULE OF APPROPRIATIONS

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Amended</u> <u>Appropriation</u>
Non-Departmental			
Operating Expenses (PS & M&S)	14,003,594	(500,000)	13,503,594
Debt Service	1,198,898	0	1,198,898
Subtotal	15,202,492	(500,000)	14,702,492
General Expenses			
Interfund Transfers	7,803,692	0	7,803,692
Contingency	7,082,189	(500,000)	6,582,189
Subtotal	14,885,881	(500,000)	14,385,881
Unappropriated Balance	3,982,542	0	3,982,542
Total Fund Requirements	\$102,209,092	(\$500,000)	\$101,709,092
MERC OPERATING FUND			
Operating Expenses (PS & M&S)	\$32,928,210	500,000	\$33,428,210
Debt Service	18,899	0	18,899
Capital Outlay	40,000	0	40,000
Interfund Transfers	6,088,876	(500,000)	5,588,876
Contingency	259,037	0	259,037
Unappropriated Balance	10,681,757	748,892	11,430,649
Total Fund Requirements	\$50,016,779	\$748,892	\$50,765,671

All Other Appropriations Remain as Previously Adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 07-1156, AMENDING THE FY 2006-07 BUDGET AND APPROPRIATIONS SCHEDULE PROVIDING ADDITIONAL APPROPRIATION AUTHORITY FOR ZOO OPERATIONS AND MERC OPERATIONS, AND DECLARING AN EMERGENCY

Date: May 18, 2007
Revised: June 14, 2007

Prepared by: Craig M. Stroud
Revised by: Kathy Rutkowski

BACKGROUND

This requests an increase in appropriation authority for Zoo Operations and MERC Operations. Each request will be explained separately below:

Zoo Operations:

The zoo continues to experience record-breaking attendance and strong guest spending. Attendance through April is 104,000 ahead of last year, 136,000 ahead of the fiscal year attendance forecast, and surpasses the all-time year-to-date attendance record, set in fiscal year 2001, by 117,000.

Zoo management has held operating expenditures in line with budgeted amounts even though attendance, and costs that increase based on attendance, exceeded forecasts. Examples of variable costs driven by attendance include food for sale, gate and zoo train personal services, and use of contract services to operate the auxiliary lot guest-parking shuttles. Financial analysis of expenditures through April 2007 forecast operating expenditures through June 30, 2007 to finish uncomfortably close to budgeted amounts.

To ensure the zoo has adequate operating appropriation to support guest operations through the end of FY 2006-07, management requests the transfer of \$500,000 from zoo operating contingency to zoo operating personal services and materials and services. The zoo expects positive rates of return for these funds, as the monies will be used for revenue-generating activities. Zoo management will prudently manage these funds and will not spend unneeded budget limitation. Unspent money will revert to FY 2007-08 zoo operating fund beginning balance.

Oregon Convention Center Food & Beverage Sales

The Oregon Convention Center is experiencing food and beverage sales greater than previously estimated. Revenue is currently estimated at \$8.86 million, an increase of \$748,892 over the current budget. May sales came in \$240,000 higher than forecasted as a result of the O'Reilly Rails Conference. June has two major events, the Tektronix conference, which increased the food and beverage services by \$500,000, and the Universalist Unitarian Conference. With increased sales, there is an increase in the cost of goods sold estimated at \$500,000. The projected food and beverage margin for fiscal year 2006-07 is 23 percent. The request anticipates a net positive increase to fund balance of almost \$250,000.

Oregon budget law does not allow the recognition and direct appropriation of this revenue without benefit of a supplemental budget. This action transfers \$500,000 of unneeded appropriation authority from the budgeted PERS Reserve transfer to materials & services to provide for the needed increase in food and beverage expense. The FY 2006-07 budget had assumed that Metro might make an additional contribution of the reserve to PERS during the fiscal year.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
3. **Anticipated Effects:** This action provides appropriation authority for both the Oregon Zoo and MERC to meet operational needs. Both facilities experienced unexpected increases in attendance or requested reimbursable service needs in the last quarter of the fiscal year.
4. **Budget Impacts:** This action increases the personal services and materials and services operating appropriations in the General Fund for the Oregon Zoo, and decreases the General Fund contingency by \$500,000 in the FY 2006-07 budget. These funds will be used to support revenue-generating activities, and we expect a positive rate of return for every dollar spent in these operating areas. Unused funds will revert to beginning fund balance in the FY 2007-08 budget year. It also increases materials & services at the Oregon Convention Center to provide for increased food and beverage services. The increase in expenditures will be more than offset by an increase in revenue generated. Any unused funds will revert to fund balance at the end of the fiscal year.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 07-3795
CAPITAL BUDGET FOR FISCAL) Introduced by
YEARS 2007-08 THROUGH 2011-12) David Bragdon, Council President

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects & equipment purchases;

WHEREAS, Metro departments have inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs;

WHEREAS, Metro’s Council President has directed the preparation of a Capital Budget for fiscal years 2007-08 through 2011-12 that projects Metro’s major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs;

WHEREAS, the Metro Council has reviewed the FY 2007-08 through FY 2011-12 Capital Budget; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2007-08 through FY 2011-12 Capital Budget; now, therefore

BE IT RESOLVED that the Metro Council hereby authorizes the following:

- 1. That the FY 2007-08 through FY 2011-12 Capital Budget, included as Exhibit A to this Resolution and summarized on Exhibit B, on file at the Metro offices, is hereby adopted.
- 2. That the Metro Council President is requested to include the FY 2007-08 capital projects from the FY 2007-08 through FY 2011-12 Capital Budget in the FY 2007-08 budget.

ADOPTED by the Metro Council this ____ day of _____ 2007.

David Bragdon, Metro Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution 07-3795

Department	Total # of Projects	Prior Years	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	5-Year Total	Percent
Finance	18	\$ 2,810,135	\$ 1,246,959	\$ 871,500	\$ 581,000	\$ 755,167	\$ 715,667	\$ 4,170,293	2.00%
Oregon Zoo	9	\$ 6,057,574	\$ 4,450,500	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 7,450,500	3.57%
Regional Parks and Greenspaces	17	\$ 144,318,909	\$ 43,293,138	\$ 43,570,000	\$ 35,800,000	\$ 35,375,000	\$ 25,000,000	\$ 183,038,138	87.68%
Solid Waste and Recycling	36	\$ 755,256	\$ 2,497,900	\$ 3,607,800	\$ 3,586,000	\$ 2,301,000	\$ 2,105,000	\$ 14,097,700	6.75%
Total Metro	80	\$ 153,941,874	\$ 51,488,497	\$ 51,049,300	\$ 39,967,000	\$ 38,431,167	\$ 27,820,667	\$ 208,756,631	100.00%

Exhibit A to Resolution 07-3795

Grand Total	
\$	6,980,428
\$	13,508,074
\$	327,357,047
\$	14,852,956
\$	362,698,505

Total Projects Summary - By Year

Resolution No. 07-3795
Exhibit B

Finance			Prior Years	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
All Funds									
IT1	1	Replace/Acquire Desktop Computers	\$397,193	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$847,193
Total - All Funds			\$397,193	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$847,193
Building Management Fund									
01505	1	Rebuild Metro Regional Center planters	\$65,000	\$65,000	\$65,000	\$0	\$0	\$0	\$195,000
TEMP289	2	Parking Structure Waterproofing	\$0	\$75,000	\$25,000	\$25,000	\$0	\$0	\$125,000
56180	4	Carpet Replacement	\$0	\$0	\$100,000	\$100,000	\$100,000	\$50,000	\$350,000
TEMP288	4	Council/COO Building Space Remodel	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000
01500	5	Replace Metro Regional Center telephone system	\$65,000	\$0	\$0	\$65,000	\$0	\$0	\$130,000
TEMP109	6	Metro Regional Center Roof Replacement	\$0	\$0	\$0	\$0	\$151,667	\$151,667	\$303,334
Total - Building Management Fund			\$130,000	\$260,000	\$190,000	\$190,000	\$251,667	\$201,667	\$1,223,334
General Fund Renewal and Replacement Fund									
TEMP304	0	Council Chamber Audio/Visual Upgrades	\$0	\$100,959	\$0	\$0	\$0	\$0	\$100,959
Total - General Fund Renewal and Replacement Fund			\$0	\$100,959	\$0	\$0	\$0	\$0	\$100,959
Planning Fund									
94403/94404	1	Regional Land Information System (RLIS)	\$768,667	\$57,000	\$28,000	\$16,000	\$57,000	\$28,000	\$954,667
43990	2	Transportation Modeling Services Cluster Upgrade	\$0	\$69,000	\$63,000	\$35,000	\$35,000	\$69,000	\$271,000
Total - Planning Fund			\$768,667	\$126,000	\$91,000	\$51,000	\$92,000	\$97,000	\$1,225,667
Support Services Fund									
56110	1	Server Management	\$473,110	\$67,000	\$126,000	\$92,000	\$157,000	\$178,000	\$1,093,110
TEMP125	1	Single Uninterruptible Power Source (UPS) for Computer Roo	\$0	\$90,000	\$0	\$0	\$20,000	\$0	\$110,000
56120	2	Upgrade Network Infrastructure	\$359,020	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$534,020
65110	3	Copier Replacement	\$172,691	\$112,000	\$47,000	\$47,000	\$47,000	\$47,000	\$472,691
65612	3	Upgrade of Business Enterprise Software (PeopleSoft)	\$13,500	\$116,000	\$62,500	\$76,000	\$62,500	\$67,000	\$397,500
56137	4	Upgrade Desktop Operating Systems and Office Software	\$162,890	\$0	\$230,000	\$0	\$0	\$0	\$392,890
56135	5	Develop Enterprise Business Applications Software	\$333,064	\$150,000	\$0	\$0	\$0	\$0	\$483,064
Total - Support Services Fund			\$1,514,275	\$570,000	\$500,500	\$250,000	\$321,500	\$327,000	\$3,483,275
General Fund Renewal and Replacement Fund									
TEMP301	3	Asset Assessment - Inventory, Appraisal & Condition	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total - General Fund Renewal and Replacement Fund			\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total - Finance			\$2,810,135	\$1,246,959	\$871,500	\$581,000	\$755,167	\$715,667	\$6,980,428

Total Projects Summary - By Year

Resolution No. 07-3795
Exhibit B

Oregon Zoo			Prior Years	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
General Revenue Bond Fund (Zoo)									
TEMP188	1	Washington Park Parking Lot Renovation	\$4,392,165	\$205,500	\$0	\$0	\$0	\$0	\$4,597,665
Total - General Revenue Bond Fund (Zoo)			\$4,392,165	\$205,500	\$0	\$0	\$0	\$0	\$4,597,665
Zoo Capital Projects Fund									
ZAR19	1	Predators of the Serengeti	\$50,000	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$4,050,000
ZCON	3	California Condor Breeding Facility & Exhibit	\$1,560,409	\$0	\$1,000,000	\$0	\$0	\$0	\$2,560,409
TEMP249	4	Primate Climbing Structure Replacement	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
TEMP252	7	Fire Alarm System Replacement	\$0	\$55,000	\$0	\$0	\$0	\$0	\$55,000
TEMP238	8	Fluorescent Light Fixture Replacement	\$55,000	\$80,000	\$0	\$0	\$0	\$0	\$135,000
Total - Zoo Capital Projects Fund			\$1,665,409	\$2,225,000	\$3,000,000	\$0	\$0	\$0	\$6,890,409
Zoo Capital Projects Fund									
TEMP272	1	Orangutan Exhibit Renovation	\$0	\$1,800,000	\$0	\$0	\$0	\$0	\$1,800,000
TEMP270	2	Primate Building Roof Replacement	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000
TEMP292	3	Veterinary Hospital and Quarantine Design	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total - Zoo Capital Projects Fund			\$0	\$2,020,000	\$0	\$0	\$0	\$0	\$2,020,000
Total - Oregon Zoo			\$6,057,574	\$4,450,500	\$3,000,000	\$0	\$0	\$0	\$13,508,074

Total Projects Summary - By Year

Resolution No. 07-3795
Exhibit B

Regional Parks and Greenspaces			Prior Years	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
Natural Areas Fund									
TEMP98	2	Open Spaces Land Acquisition - Second Phase	\$12,125,000	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$25,000,000	\$177,125,000
70470	3	Mt. Talbert Development	\$1,245,781	\$494,124	\$0	\$0	\$0	\$0	\$1,739,905
70460	4	Cooper Mountain Natural Area Development	\$124,275	\$2,523,500	\$150,000	\$100,000	\$75,000	\$0	\$2,972,775
70480	5	Graham Oaks Nature Area Development	\$115,000	\$1,685,402	\$70,000	\$0	\$0	\$0	\$1,870,402
TEMP186	6	Willamette Cove Park Development	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Total - Natural Areas Fund			\$13,610,056	\$39,703,026	\$35,220,000	\$35,100,000	\$35,375,000	\$25,000,000	\$184,008,082
Open Spaces Fund									
TEMP4	1	Open Spaces Land Acquisition	\$128,951,551	\$308,712	\$0	\$0	\$0	\$0	\$129,260,263
Total - Open Spaces Fund			\$128,951,551	\$308,712	\$0	\$0	\$0	\$0	\$129,260,263
Regional Parks Capital Fund									
70160	1	Golf Course at Blue Lake Park	\$147,849	\$858,000	\$8,350,000	\$0	\$0	\$0	\$9,355,849
70170	2	M. James Gleason Boat Ramp Renovation Phase I & II	\$1,152,362	\$1,170,000	\$0	\$0	\$0	\$0	\$2,322,362
TEMP147	3	M. James Gleason Boat Ramp - Phase III & IV	\$0	\$0	\$0	\$700,000	\$0	\$0	\$700,000
Total - Regional Parks Capital Fund			\$1,300,211	\$2,028,000	\$8,350,000	\$700,000	\$0	\$0	\$12,378,211
Regional Parks Fund									
TEMP297	1	Lone Fir Cemetery Entry (Morrison Building Site)	\$0	\$80,000	\$0	\$0	\$0	\$0	\$80,000
70451	1	Gales Creek/Tualatin River Confluence Project	\$382,091	\$77,000	\$0	\$0	\$0	\$0	\$459,091
70326	2	Multnomah Channel Basin Reconnection Project	\$0	\$384,400	\$0	\$0	\$0	\$0	\$384,400
Total - Regional Parks Fund			\$382,091	\$541,400	\$0	\$0	\$0	\$0	\$923,491
General Fund									
70216	1	Blue Lake Park Concession Building Renovations	\$75,000	\$25,000	\$0	\$0	\$0	\$0	\$100,000
Total - General Fund			\$75,000	\$25,000	\$0	\$0	\$0	\$0	\$100,000
Building Management Fund									
TEMP303	0	MRC First Floor Remodel	\$0	\$367,000	\$0	\$0	\$0	\$0	\$367,000
Total - Building Management Fund			\$0	\$367,000	\$0	\$0	\$0	\$0	\$367,000
General Fund Renewal and Replacement Fund									
TEMP302	0	Parks Renewal & Replacement	\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000
TEMP294	3	Blue Lake Water System Upgrade - Phase 2	\$0	\$80,000	\$0	\$0	\$0	\$0	\$80,000
TEMP296	5	Howell Territorial Park Restroom & Kitchen Upgrade	\$0	\$165,000	\$0	\$0	\$0	\$0	\$165,000
Total - General Fund Renewal and Replacement Fund			\$0	\$320,000	\$0	\$0	\$0	\$0	\$320,000
Total - Regional Parks and Greenspaces			\$144,318,909	\$43,293,138	\$43,570,000	\$35,800,000	\$35,375,000	\$25,000,000	\$327,357,047

Total Projects Summary - By Year

Resolution No. 07-3795
Exhibit B

Solid Waste and Recycling

Project No.	Priority		Prior Years	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
Solid Waste General Account									
76932	1	Metro South - Wood Staging Structure	\$0	\$80,000	\$570,000	\$0	\$0	\$0	\$650,000
76963	2	Metro Central - Seismic Cleanup	\$25,000	\$175,000	\$0	\$0	\$0	\$0	\$200,000
76964	3	Metro Central - Chimney Removal	\$10,000	\$165,000	\$0	\$0	\$0	\$0	\$175,000
TEMP269	4	Metro South HHW - Drum Storage Capacity	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
TEMP267	5	Metro South - Natural Lighting Improvements	\$0	\$0	\$0	\$75,000	\$0	\$0	\$75,000
76931	6	Metro South - Wood Processing Capacity	\$12,000	\$0	\$60,000	\$595,000	\$150,000	\$0	\$817,000
TEMP273	7	Metro South - New Operations Supervisors' Office	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
TEMP103	8	Metro South- Installation of Compactor for Public Unloading A	\$0	\$0	\$0	\$200,000	\$680,000	\$0	\$880,000
TEMP287	9	Metro Central - Locker room/restroom remodel	\$0	\$15,000	\$100,000	\$0	\$0	\$0	\$115,000
TEMP264	10	Metro Central - Tarping Station	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000
76929	11	Metro South - Install High Capacity Baler	\$0	\$0	\$255,000	\$375,000	\$0	\$0	\$630,000
TEMP266	12	Metro Central HHW - Extend Canopy	\$0	\$0	\$0	\$0	\$0	\$75,000	\$75,000
TEMP268	13	Metro South HHW - Extend Canopy	\$0	\$0	\$0	\$0	\$0	\$75,000	\$75,000
TEMP80	14	Metro Central - Rainwater Harvesting	\$0	\$0	\$0	\$310,000	\$0	\$0	\$310,000
TEMP175	15	Future Master Facility Plan Improvements	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Total - Solid Waste General Account			\$47,000	\$485,000	\$1,185,000	\$1,655,000	\$830,000	\$1,150,000	\$5,352,000
Solid Waste Landfill Closure									
76984	1	St. John's - Groundwater Monitoring Wells	\$0	\$200,000	\$10,800	\$0	\$0	\$0	\$210,800
76986	2	St John's - Perimeter Dike Stabilization and Seepage Control	\$3,309	\$300,000	\$600,000	\$6,000	\$6,000	\$0	\$915,309
76982	3	St. John's - Re-establish Proper Drainage	\$599,005	\$5,000	\$252,000	\$5,000	\$5,000	\$0	\$866,005
76988	4	St. John's - Landfill Bridge Repairs	\$0	\$30,000	\$120,000	\$0	\$0	\$0	\$150,000
TEMP158	5	St. John's - Landfill Remediation	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$1,500,000
76985	6	St. John's - Native Vegetation on the Cover Cap	\$105,942	\$15,000	\$10,000	\$10,000	\$10,000	\$0	\$150,942
Total - Solid Waste Landfill Closure			\$708,256	\$550,000	\$992,800	\$521,000	\$521,000	\$500,000	\$3,793,056
SW Renewal & Replacement Account									
TEMP261	1	Metro Central - Transfer trailer Scale Replacement	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
TEMP265	2	Metro Central HHW - Chiller Replacement	\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000
TEMP263	3	Metro Central - Scalehouse A Inbound scale	\$0	\$0	\$90,000	\$0	\$0	\$0	\$90,000
TEMP276	4	Metro South - Outdoor/Site Lighting	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000
76933	5	Metro South - Compactor Replacement	\$0	\$1,050,000	\$950,000	\$0	\$0	\$0	\$2,000,000
TEMP271	6	Metro South - Modify Entry Way to Operations Bld.	\$0	\$0	\$0	\$75,000	\$0	\$0	\$75,000
TEMP152	7	Metro Central - Truckwash	\$0	\$0	\$35,000	\$285,000	\$0	\$0	\$320,000
TEMP156	8	Metro South- Replace Ventilation System Components	\$0	\$0	\$140,000	\$0	\$0	\$0	\$140,000
TEMP155	9	Metro Central-HHW- Ventilation System Replacement	\$0	\$0	\$140,000	\$0	\$0	\$0	\$140,000
TEMP157	10	Metro South-Replace Dust Suppression System Components	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
TEMP260	11	Metro Central - Roll-up Doors	\$0	\$0	\$0	\$0	\$0	\$65,000	\$65,000
TEMP262	12	Metro Central - Baler Conveyor	\$0	\$0	\$0	\$0	\$0	\$220,000	\$220,000
TEMP208	13	Metro Central - Compactor Replacement	\$0	\$0	\$0	\$1,050,000	\$950,000	\$0	\$2,000,000
TEMP259	14	Metro Central - Replace metal wall system	\$0	\$0	\$0	\$0	\$0	\$170,000	\$170,000
TEMP178	15	Metro South - Repair Commercial Tip Floor	\$0	\$197,900	\$0	\$0	\$0	\$0	\$197,900

Total Projects Summary - By Year

Resolution No. 07-3795
Exhibit B

Solid Waste and Recycling		Prior Years	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
Project No.	Priority							
Total - SW Renewal & Replacement Account		\$0	\$1,462,900	\$1,430,000	\$1,410,000	\$950,000	\$455,000	\$5,707,900
Total - Solid Waste and Recycling		\$755,256	\$2,497,900	\$3,607,800	\$3,586,000	\$2,301,000	\$2,105,000	\$14,852,956

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 07-3795, FOR THE PURPOSE OF ADOPTING THE CAPITAL BUDGET FOR FISCAL YEARS 2007-08 THROUGH 2011-12

Date: June 14, 2007

Presented by: William Stringer, Chief Financial Officer

BACKGROUND

The Capital Budget for Fiscal Years 2007-08 through 2011-12 represents Metro's long-range capital improvement planning process. Metro has established a sound base to forecast the agency's capital needs and balance those needs with available resources. As a result, Metro has been able to coordinate the financing and timing of its capital improvements in a way that maximizes the benefits to the public and provides opportunities to save money.

ANALYSIS/INFORMATION

1. **Known Opposition:** None
2. **Legal Antecedents:** There is no legal requirement for Metro to prepare a Capital Budget.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the Capital Budget covering the years FY 2008-2012.

Within the 80 projects planned during the five years covered by this Capital Budget are projects for replacing or improving existing facilities, projects purchasing new equipment, and projects that create new facilities. The total cost for these projects during the five years is estimated to be \$208,756,631 million.

This Resolution is the formal instrument by which the plan will be adopted to incorporate the first year of the Plan into the Adopted Budget. Exhibit A is the Capital Budget and Exhibit B is a listing of all the projects that will be incorporated, as amended, into the Adopted Capital Budget.

4. **Budget Impacts:** The plan's FY 2007-08 projects are the FY 2007-08 Budget's Capital Budget requests for projects over \$50,000. The financial impacts of the projects are described in detail and in summary form in the Capital Budget.

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 07-3795, in concurrence with the Chief Financial Officer and Chief Operating Officer.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN ORDER)
TO WAIVE THE DEADLINE FOR FILING AN) Resolution No. 07-3804
APPLICATION FOR A MAJOR AMENDMENT TO)
THE URBAN GROWTH BOUNDARY BY THE) Introduced by Councilor Kathryn Harrington
CITY OF CORNELIUS)

WHEREAS, Chapter 3.01 of the Metro Code (Urban Growth Boundary and Urban Reserves Procedures) provides for “major amendment” to the urban growth boundary (“UGB”) to add land for non-residential purposes; and

WHEREAS, section 3.01.025 of the Code provides that Metro will not accept applications for major amendments during the calendar year in which Metro is required by state law to determine the capacity of the UGB; and

WHEREAS, because calendar year 2007 is a year in which Metro must complete an analysis of UGB capacity, Metro may not accept applications for major amendments in 2007; and

WHEREAS, the Oregon Legislature is considering an extension of the time for completion of Metro’s analysis of UGB capacity from 2007 to 2009, in House Bill 2051; and

WHEREAS, if House Bill 2051 becomes law, calendar year 2007 would no longer be a year in which Metro must complete its analysis of UGB capacity, and, therefore, Metro could accept applications for major amendments; and

WHEREAS, section 3.01.025 of the Code also establishes an annual deadline of March 15 for submission of an application for a major amendment, but provides for a waiver of that deadline upon a finding of good cause and an affirmative vote of five members of the Metro Council; and

WHEREAS, the City of Cornelius has requested a waiver in order to submit an application for a major amendment to add industrial land to the UGB no later than October 1, 2007; and

WHEREAS, if House Bill 2051 becomes law, it is unlikely that the Metro Council would consider expansion of the UGB to add industrial land prior to December, 2009; and

WHEREAS, the City of Cornelius believes there are immediate opportunities for industrial development on the territory it would propose for addition to the UGB by major amendment, and that these opportunities may be lost by December, 2009; and

WHEREAS, the Metro Council considered this resolution and order at a public meeting on _____, 2007, and considered information presented at the meeting; now, therefore

BE IT RESOLVED that the Metro Council:

1. Enters Order 07-030, attached to this resolution as Exhibit "A", which approves the waiver of the March 15 deadline.
2. Directs the Chief Operating Officer to send a copy of Order No. 07-030 to the City of Cornelius and Washington County.

ADOPTED by the Metro Council this ____ day of _____, 2007

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 07-3804

Order No. 07-030

RELATING TO A WAIVER TO ALLOW THE CITY OF CORNELIUS TO SUBMIT AN APPLICATION FOR A MAJOR AMENDMENT TO THE UGB

The City of Cornelius has submitted a request for a waiver of the March 15 deadline for submission of an application for a major amendment to the UGB, pursuant to Metro Code section 3.01.025. Subsection (b) of section 3.01.025 allows the Metro Council to waive the deadline upon a finding of good cause and an affirmative vote of five members of the Council.

The Metro Council considered the request at a public meeting on _____, 2007. The Council determined that there is good cause to allow the city to submit an application beyond the March 15 deadline for the reasons that:

1. If legislation passes the 2007 Oregon Legislature that extends the time for completion of Metro's analysis of the capacity of the UGB from December, 2007, to December, 2009, it is unlikely that the Council would consider UGB expansion prior to December, 2009; and
2. The city believes there are opportunities for industrial development on the land the city would propose for expansion of the UGB that may be lost by December, 2009.

IT IS ORDERED THAT:

Contingent upon passage by the Oregon Legislature of legislation that extends the deadline for completion of Metro's next analysis of capacity of the UGB to at least December, 2009, and passage of no other legislation that changes Metro's obligations under ORS 197.299 and 197.296, the Metro Council waives the March 15 deadline in section 3.01.025 of the Metro Code for submission of an application for a major amendment to the UGB to allow the City of Cornelius to submit an application prior to October 1, 2007.

ENTERED this ____ day of _____, 2007.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 07-3804 FOR THE PURPOSE OF ENTERING AN ORDER TO WAIVE THE DEADLINE FOR FILING AN APPLICATION FOR A MAJOR AMENDMENT TO THE URBAN GROWTH BOUNDARY BY THE CITY OF CORNELIUS

Date: May 10, 2007

Prepared by: Tim Everett and Linnea Nelson

BACKGROUND

Metro is responsible for managing the Portland metropolitan region's Urban Growth Boundary (UGB). State law requires Metro to analyze the capacity of the regional urban growth boundary every five years and to ensure that it includes sufficient capacity for the next 20 years' worth of growth. Except in those years in which Metro is conducting its capacity analysis (2002 and 2007, for example), an applicant may submit a major amendment to Metro that could expand or change the UGB. The Oregon Legislature is currently considering House Bill (HB) 2051 ("Requires Metro to complete first inventory, determination and analysis of housing capacity and need within urban growth boundary that is due on or after December 1, 2007, by December 31, 2009. Takes effect December 1, 2007.") Should HB 2051 become law, calendar year 2007 would no longer be a year in which Metro must complete its review of the UGB, and, therefore, Metro could accept applications for major amendments.

The Metro Code establishes the annual deadline of March 15 for submission of an application for a major amendment, except for years when the Metro Council is required to conduct a review, in which case the Council will not accept any applications. Because the passage of HB 2051 would only occur after March 15, the deadline would be impossible to meet in 2007. The City of Cornelius has submitted a request for a waiver of the deadline, should HB 2051 become law, and has committed to submit an application to Metro for a major amendment to the UGB by October 1, 2007. The Metro Code allows the Metro Council to waive the deadline upon a finding of good cause and an affirmative vote of five members of the Council.

In addition, the City of Cornelius believes there are immediate opportunities for industrial development on the land the city would propose for expansion of the UGB that may be lost by 2008 or December 2009.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to waiving the UGB major amendment application deadline. Some persons and groups who testified at the last UGB expansion hearings in 2005 and previous years may be opposed to expansion of the UGB. This resolution, however, is not a question of expanding the UGB, but rather about a one-time change to the major amendment application process, given the passage of HB 2051.

2. Legal Antecedents

Chapter 3.01 of the Metro Code (Urban Growth Boundary and Urban Reserves Procedures) provides for "major amendment" to the UGB to add land for non-residential purposes, and section 3.01.025 of the Code provides that Metro will not accept applications for major amendments during the calendar year in which Metro is required by state law to determine the capacity of the UGB.

In House Bill 2051, the Oregon Legislature is considering an extension of the time from 2007 to 2009 for completion of Metro's analysis of UGB capacity. If House Bill 2051 becomes law, calendar year 2007 would no longer be a year in which Metro must complete its analysis of UGB capacity, and, therefore, Metro could accept applications for major amendments.

Section 3.01.025 of the Code also establishes an annual deadline of March 15 for submission of an application for a major amendment, but provides for a waiver of that deadline upon a finding of good cause and an affirmative vote of five members of the Metro Council.

3. Anticipated Effects

If Resolution No. 07-3804 is adopted, the Metro Council will accept the City of Cornelius' application for a major amendment to the UGB in 2007. Pursuant to section 3.01.025 of the Metro Code, the Council would waive the March 15 deadline for application for the City of Cornelius. Consideration of that application would be handled in a separate Council action.

4. Budget Impacts

Passage of this resolution would require re-prioritizing staff time in order to process an application for a major amendment to the UGB per Metro code.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 07-3804.