

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING A )  
CHARGE TO A SPECIAL MSD FINANCE )  
TASK FORCE AND APPOINTING MEMBERS )  
TO THAT TASK FORCE )

RESOLUTION NO. 79-84  
Introduced by  
Corky Kirkpatrick

WHEREAS, The legal authority to continue to collect a Zoo serial levy and dues assessed on local jurisdictions at the end of the 1982 fiscal year; and

WHEREAS, It is necessary to consider alternatives for replacing these revenues; and

WHEREAS, The MSD Council deems it important to receive the views of State Legislators, local officials and citizens at large before making decisions on this matter; now, therefore,

BE IT RESOLVED,

1. That the attached Charge to the MSD Finance Task Force be approved.

2. That a 12 member Task Force be comprised of four representatives from each of the following groups: State Legislators, local officials and citizens at large.

3. That the Council appoint representatives to the Task Force as recommended by the Council.

ADOPTED by the Council of the Metropolitan Service District this 13th day of September, 1979.

  
\_\_\_\_\_  
Presiding Officer

CS/gl  
4951A  
0033A

## CHARGE TO FINANCE TASK FORCE

### Charge to Task Force

The Task Force is charged to provide the Council with an analysis of a range of options for financing current Metropolitan Service District (MSD) activities by December, 1979. The analysis should specifically cover the equity of a proposed method of financing, the cost of administration and the growth potential (elasticity) of each option.

The Council will make the final policy decision on the type of financing option to be used, the amount of funds to be raised and the functions to be assumed in the future.

The expectations for the December, 1979 report are:

1. Evaluate the sufficiency of existing funding sources to:
  - a. sustain the current level of services;
  - b. provide adequate funding flexibility to set priorities independent of federal and state grants-in-aid.
2. Analyze the options for replacing revenues lost when the zoo serial levy and the dues assessment authority expire at the end of the 1981 fiscal year. The following questions should be specifically addressed:
  - a. Should MSD seek voter approval of a tax base or a serial levy to support general planning, Council and Executive Management activities before requesting authority from the State Legislature to extend dues assessments on local jurisdictions?
  - b. If the answer to the preceding question is no, recommend an alternative strategy for funding general MSD activities after 1981.
  - c. If the answer is yes, which of the following options should be chosen?
    1. Serial Levy:
      - combine a Zoo and general MSD serial levy on the May ballot
      - place a separate Zoo and general MSD serial levy on the May ballot
      - consider other options for placing separate serial levies on either the May or November ballots

## 2. Tax Base:

- seek a tax base for both the Zoo and general MSD support on May ballot
- seek a tax base for either the Zoo or general MSD support on May ballot
- consider other options for placing a tax base on either the May or November ballots

### Combination:

- consider any other combination of a serial levy or tax base for either the Zoo or general MSD support

3. List and evaluate any other potential revenue sources.
4. Provide a list of issues which the Council should consider in developing a long term view of direction MSD may take in assuming and financing new functional responsibilities.

## Background

The legislation authorizing the formation of MSD allowed the new government to raise local revenues needed to support planning activities and executive management and Council expenses through dues assessed on local governments in the service area. The authority to collect dues is set to expire at the end of FY 1981. The intent of the legislation was to give MSD time to become established and find a new source of local funding. Without a source of local funds to match state and federal grants, planning programs and Council support systems would be severely impaired.

Also, MSD is heavily dependent on federal and state grants to fund planning activities. Unless MSD is authorized to collect a greater amount of local funds than is now possible with dues assessments, it will be necessary to continue to set program priorities based upon availability of grants.

The enabling legislation permitted MSD to absorb Tri-Met if authorized by a majority vote of the Council. Additional functions could not be assumed until the organization received local voter approval for either a tax base or an income tax.

When the new government took over the activities of the prior MSD in January, 1979, it inherited a serial levy supporting the Zoo which was set to expire at the end of the 1981 fiscal year. This \$2 million levy provides 40% of the total Zoo revenues.

The Task Force has been structured to draw representatives from three key groups having a strong interest in MSD. These groups are the Oregon Legislature, local government officials, and general citizenry. To keep the committee small enough to work under a tight

deadline, four people will be appointed from each group to form a 12 member committee.

Problem Statement

The task of developing a long-term financial strategy for MSD must deal first with the problem of replacing the two key revenue sources, (which are dues assessment and Zoo serial levy) before the end of the 1981 fiscal year. The options and recommendations offered resolving the immediate problem should be consistent with a longer-term view of the organization.

The timing of the next state legislative session, which will adjourn about the time the 1982 fiscal year begins, adds additional pressure to resolve the immediate funding problem. Should MSD fail to secure approval for a new source of local funding, there will be only one opportunity to appeal to the legislature for approval to continue the dues assessment before the current authorization expires. If an effort is not made to secure local funding, MSD will have difficulty supporting a request to extend dues assessments.

CS:gl  
4789A  
0053A