

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING COUNCIL ) RESOLUTION NO. 02-3169  
POLICY REGARDING THE MANAGEMENT OF )  
THE REGIONAL PARKS FUND ) Introduced by Mike Burton, Executive Officer

WHEREAS, Resolution No. 94-1983 adopted policies regarding the management of the Regional Parks and Expo Fund, and

WHEREAS, those policies included the dedication of excise tax levied on Regional Parks goods and services to the support of Regional Parks operation, and

WHEREAS, in FY 2002-03 the excise tax generated on Regional Parks goods and services is estimated to be around \$164,000, and

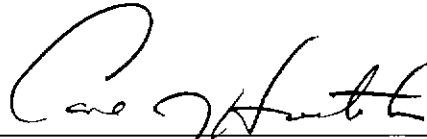
WHEREAS, an additional excise tax levy on solid waste activities equivalent to \$1.00 per ton will be made and dedicated to Regional Parks operations beginning July 1, 2002; and

WHEREAS, the additional levy on solid waste activities will generate approximately \$1.23 million; now therefore

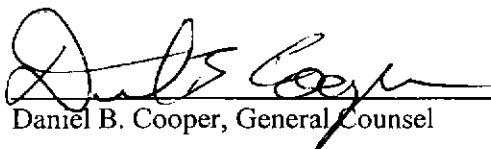
BE IT RESOLVED that the Metro Council amends its policy regarding the excise tax levied on Regional Parks goods and services, rescinding the policy that dedicates the proceeds of the tax to support Regional Parks operations, and retaining those taxes levied in the General Fund for other purposes of the agency; and

BE IT FURTHER RESOLVED that the change in policy enacted by this Resolution becomes effective concurrently with, and only upon passage and full implementation of, Ordinance No. 02-939A, which increases the excise tax on solid waste activities equivalent to \$1.00 per ton.

ADOPTED by the Metro Council this 6<sup>th</sup> day of June, 2002

  
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Carl Hosticka, Presiding Officer

Approved as to Form:

  
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Daniel B. Cooper, General Counsel



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## **BUDGET AND FINANCE COMMITTEE REPORT**

### CONSIDERATION OF RESOLUTION NO. 02-3169, FOR THE PURPOSE OF AMENDING COUNCIL POLICY REGARDING THE MANAGEMENT OF THE REGIONAL PARKS FUND

Date: May 23, 2002

Presented by: Councilor Burkholder

**Committee Recommendation:** At its May 23 meeting, the committee considered Resolution No. 02-3169 and voted 3-1 to send the resolution to the Council for adoption. Voting in favor: Councilors Atherton, Monroe and Chair Burkholder. Councilor Bragdon voted no, and Councilor McLain was absent.

**Background:** In 1994, the Council adopted legislation (Resolution No. 94-1983) that established a policy under which the agency's Regional Parks and Expo Fund would retain all excise tax revenue generated by the regional parks system. For FY 02-03, the amount of this revenue is estimated to be about \$164,000.

The Executive Officer's proposed budget contained two assumptions regarding excise taxes and the regional parks and greenspaces program. First, it assumed that the Council would adopt proposed legislation that would increase the solid waste disposal excise tax by \$1/ton and dedicate this increased revenue (\$1.2 million) to the regional parks program. The intent of this proposal was to reduce the drawdown of the regional fund balance and give Metro additional time to identify potential long-term funding sources for the parks system. The Council adopted this legislation in March with the addition of a sunset provision that would repeal the \$1/ton effective June 30, 2004.

The second assumption is addressed in the proposed resolution. The resolution would repeal the previous policy of allowing the parks program to retain the excise taxes generated by the program. This would result in about \$164,000 being added to the general fund for FY 02-03. These funds would be available to support any of the programs funded through the General Fund.

The approved budget that the Council sent to the TSCC includes both of these assumptions.

**Committee Discussion:** Pete Sandrock, Chief Operating Officer, presented the staff report. He reviewed the history of the prior policy under which the parks program retained its internally generated excise taxes. He explained that approval of the resolution would provide consistency in the way Metro treats the excise taxes generated by its various departments by placing all such revenue in the General Fund. Such revenues would then be available to support any of the General Fund financed programs. He also noted that the revenue generated by the recently adopted \$1/ton proposal would significantly exceed the amount that would be lost through the adoption of this resolution.

Chair Burkholder noted that committee consideration of the resolution had been delayed, pending the outcome of Council consideration of the proposed budget.

Councilor Bragdon explained that he would be voting no in committee, but that he intended to review the issues related to the resolution in greater detail prior to its consideration by the full Council.

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO 02-3169, FOR THE PURPOSE OF AMENDING COUNCIL POLICY REGARDING THE MANAGEMENT OF THE REGIONAL PARKS FUND

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Date: February 19, 2002

Prepared by: Pete Sandrock

#### BACKGROUND

In November 1994, the Metro Council adopted Resolution No. 94-1983 for the purpose of adopting policies for the management of the Regional Parks and Expo Fund. Included among the policies was a recommendation that the excise tax levied on Regional Parks' goods and services be dedicated to the support of Parks' operations. One of the purposes of the policies included in Resolution 94-1983 was to provide funding stability for the Regional Parks operations until such time as the Council secured an adequate funding source. The resolution also recommended that the Council secure such funding source by July 1997.

An adequate, stable funding source for Regional Parks operations has not yet been secured. The Parks Department has relied on the use of fund balance reserves to support basic operations of the department. Even with expenditure reductions and actions taken to enhance revenues, fund reserves would only last another two years. After that time, significant program reductions would be required.

In order to reduce the use of fund balance reserves and to help provide an adequate level of service to current programs, the Executive Officer has proposed an additional excise tax levy on solid waste activities equivalent to \$1.00 per ton. The additional levy will generate approximately \$1.23 million in additional revenue and will be dedicated to Regional Parks operations. In return, the excise tax earned on Regional Parks goods and services of approximately \$164,000 will no longer be dedicated and will be retained in the General Fund to provide assistance to other Metro programs such as regional planning. This resolution is to become effective only if the additional excise tax is implemented; otherwise, the dedication of excise tax earned on Parks operations will remain Metro policy.

#### ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** Resolution No. 94-1983 set current Council policy of dedicating the excise tax earned on Regional Parks goods and services to the support of Regional Parks operations.
3. **Anticipated Effects** The effect of this resolution would be to remove the dedication of the excise tax earned on Regional Parks goods and services and retain the tax generated in the General Fund for other purposes of the agency.
4. **Budget Impacts** This resolution would retain approximately \$164,000 in excise tax to the General Fund.

**RECOMMENDED ACTION**

The Executive Officer recommends adoption of Resolution No. 02-3169.

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