

**METRO**

Meeting: Metro Capital Improvement Planning Process for Metro Facilities

Day: Thursday

Date: December 12, 1996

Time: 2:00 - 2:45 pm

Place: City Hall, Oregon City

15 min. 1. Overview of Capital Improvement Planning Process

- Metro Central Station
- Metro South Station
- St. Johns Landfill

30 min. 2. Discussion of General Planning Process for Improvements to Metro South Station.
Includes discussion of:

- Involvement of the city of Oregon City in the capital improvement planning process
- Possible improvements to Metro South Station that may be of mutual benefit to Metro and Oregon City
- City adoption of a facility master plan for Metro South Station

KH:gbc

Attachment

cc: Bruce Warner, Director of Regional Environmental Management

Doug Anderson, Acting Planning & Technical Services Manager

Terry Petersen, Environmental Services Manager

Paul Ehinger, Senior Engineer

Kelly Shafer Hossaini, Associate Planner

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Paul - Phase review
for completeness, clarity,
& accuracy!

Meeting Synopsis

CIP Stakeholder Meetings

Kelly

Date: 12/12/96
Participants: Mayor Dan Fowler, City of Oregon City
Rich Carson, City of Oregon City
Bruce Warner, Metro
Terry Petersen, Metro
Paul Ehinger, Metro
Kelly Hossaini, Metro

1. CIP planning process overview given. Stakeholder packet mailed earlier.
2. Discussion of needs at Metro South Station.

Mayor Fowler said that his view of the transfer station is that it should be run like a business and should be used to its maximum potential as long as any adverse impacts can be mitigated. He suggested that tonnage limitations be removed from any agreements between Metro and Oregon City.

Mr. Carson asked if the capital improvements being considered will increase the amount of business the transfer station does. Mr. Ehinger replied that they should not. They should help Metro to better handle the number of customers currently being served. Mr. Ehinger also said that Metro is not anticipating any large increase in tonnages or transactions at the facility in the near future, either. Commercial transactions/tonnages seem to be fairly stable, while the number of public customers is increasing but slowly.

Mr. Carson said that ODOT is very concerned about any additional traffic being created in the I205-Hwy213-Washington Street area as it is already congested. ODOT has designated that area for a corridor study and it is presently contesting any new development or construction in the area that might increase traffic. Mayor Fowler suggested that since Metro has one of the biggest facilities and is one of the biggest traffic generators in the area that Metro and the city of Oregon City work together through the corridor study to present any applicable changes, improvements, etc. to ODOT that might be desired. Mr. Warner agreed that this could be done.

Mayor Fowler said that the area in which the transfer station is located is also connected to several other planning efforts that should be included in the CIP process. These include:

- The End of the Oregon Trail master planning process
- Metro Greenspaces regional trail system planning
- Region 2040 - The area is designated as a regional center

Mayor Fowler said he is impressed with the landscaping at the transfer station and that its theme of low maintenance, native vegetation is excellent. He said he would like to extend the theme throughout the entire End of the Oregon Trail exhibit area.

Mr. Carson asked if the hazardous waste facility at Metro South will be moved. Mr. Ehinger replied that that had not yet been decided, but moving it is an option. Mayor Fowler suggested that if the decision is not to move it, Metro should be prepared to show a good evacuation plan to ensure that it will be safe in the event of another flood. Mr. Petersen assured him that such a plan had been prepared.

Mayor Fowler and Mr. Carson explained more about the End of the Oregon Trail master plan, its process, and desired end result. Mayor Fowler said that the city bought some of the property around the transfer station and intends to build a visitor's center for the End of the Oregon Trail near the transfer station and wetland. He extended the offer to Metro to purchase an eleven acre site next to the transfer station. He said it could be used to extend the wetland area and add to the Greenspaces inventory. Mr. Warner said he would like to look into the possibility further.

Mayor Fowler and Mr. Carson also discussed the possibility of raising the per-ton amount of the Metro enhancement fee, expanding the enhancement area boundary to include all of Oregon City, and eliminating any restrictions on how the money can be spent. Mr. Warner said he would like to check into the feasibility of that, too.

Mr. Ehinger asked if the city would be open to approving or adopting the master plan for Metro South when it is completed and allowing Metro to work within the adopted plan to complete facility improvements without having to return to the city for approval on each individual improvement project. Mr. Carson said that would be possible.

Mr. Carson said that he and Tamara DeRitter, the new planning manager, would be the contacts on the CIP process.

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Table 1		December 12, 1996	
COMPARISON OF METRO STAFF RATE WITH ACT PRE-NOVEMBER 1996			
Issues	AC Trucking Position	Metro Staff Position	Notes
Rate Setting Methodology	Agreed	Agreed	
Operating Expenses:			
Trucking Management	\$17,943	\$0	Inadequate Justification
Transport of Recycleables	29,729	0	Inadequate Justification
Other Operating Expenses	685,938	685,938	
TOTAL OPERATING EXPENSES	732,610	685,938	
Administrative Expenses:			
Data Processing	93,319	4,500	Amount Unreasonable
Rent	140,880	53,090	Amount Unreasonable
Accounting	40,933	13,000	Amount Unreasonable
Legal			
Utilities	19,757	10,000	Amount Unreasonable
Penalties	1,302	0	Amount Unreasonable
Public Relations	63,697	1,500	Amount Unreasonable
Charitable Contributions	11,885	0	Amount Unreasonable
Travel	58,644	2,000	Amount Unreasonable
Other Administrative Expenses	297,316	297,316	
TOTAL ADMINISTRATIVE	727,733	381,406	
Depreciation			
Physical Plant and Equipment	95,996	90,035	Amount Unreasonable
No Tax Basis Assets	44,775	0	Inappropriate Item
Goodwill	66,657	0	Inappropriate Item
Leasehold Improvements	27	27	Inappropriate Item
TOTAL DEPRECIATION	207,465	90,062	
Rate Base			
Physical Plant and Equipment			
1930 Coupe	15,500	0	Inappropriate item
Truck Stereo	2,600	0	Inappropriate item
No Tax Basis Assets	246,262	0	Inappropriate item
Other Physical Plant & Equipment	344,244	344,244	
Intangibles			
Goodwill	900,120	0	Inappropriate item
Working Capital			
Current Assets			
Current Amount of Disallowed Loan	1,200	0	Inappropriate item
Income tax Intangible	483	0	Inappropriate item
Other Current Assets	499,193	499,193	
Current Liabilities	258,745	258,745	
Working Capital	242,131	240,448	
RATE BASE	1,750,857	584,692	
Rate of Return	20.91%	15.00%	
Test year	1995 Act	1995	
Debt/Equity ratio (Regulatory)	100%/0%	100%/0%	
Tonnage	74,392	74,392	
Return on Rate Base	366,069	87,704	
REVENUE REQUIREMENT	2,033,877	1,245,110	
Rate Per Ton	\$27.34	\$16.74	

Table 2		December 12, 1996		
COMPARISON OF METRO STAFF RATE WITH ACT DECEMBER 1996 POSITION				
Issues	ACT November	ACT Projected	Metro Staff Position	Notes
Rate Setting Methodology	Agreed	Agreed	Agreed	
Operating Expenses:				
Trucking Management	\$17,943	18,392	\$0	Inadequate Justification *
Transport of Recycleables	19,138	19,616	0	Inadequate Justification
Other Operating Expenses	685,938	701,835	685,938	
TOTAL OPERATING EXPENSES	723,019	739,843	685,938	
Administrative Expenses:				
* Data Processing	93,319	95,652	4,500	Amount Unreasonable
Rent	140,880	144,402	53,090	Amount Unreasonable
Accounting	40,933	41,956	13,000	Amount Unreasonable *
* Legal	46,979	123,153	123,153	(Amount Unreasonable)
* Utilities	19,767	20,251	10,000	Amount Unreasonable *
Penalties	1,302	0	0	Amount Unreasonable
Public Relations	63,697	63,697	6,000	Amount Unreasonable
Charitable Contributions	11,885	11,885	0	Inappropriate Item
Travel	26,718	27,386	2,000	Amount Unreasonable
Other Administrative Expenses	249,035	256,166	249,035	
TOTAL ADMINISTRATIVE	694,505	784,548	460,778	
Depreciation				
Physical Plant and Equipment	95,596	91,380	90,035	Amount Unreasonable
Hypothetical New Investment	0	32,745	0	Not justified; Not U&U
No Tax Basis Assets	0	0	0	Agreed: Inappropriate Item
Goodwill	0	0	0	Agreed: Inappropriate Item
Leasehold Improvements	27	0	27	
TOTAL DEPRECIATION	95,623	124,125	90,062	
Rate Base				
Physical Plant and Equipment				
1930 Coupe	0	0	0	Agreed: Inappropriate item
Truck Stereo	0	0	0	Agreed: Inappropriate item
No Tax Basis Assets	0	0	0	Agreed: Inappropriate item
Other Physical Plant & Equipment	344,244	252,865	344,244	Col 2 Assumption Unclear
Hypothetical New Investment	0	605,300	0	
Intangibles				
Goodwill		0	0	Agreed: Inappropriate item
Working Capital				
Current Assets				
Current Amount of Disallowed Loan	0	0	0	Agreed: Inappropriate item
Income Tax Intangible	0	0	0	Agreed: Inappropriate item
Other Current Assets	499,193	499,193	499,193	
Current Liabilities	258,745	258,745	258,745	
Working Capital	240,448	240,448	240,448	
RATE BASE	584,892	1,098,613	584,692	
Test year	1995	1995 Adj.	1995	
Debt/Equity ratio	????????	????????	100%/0%	Col 1 ACT Assumption Unclear
Tonnage	70,000	70,000	74,392	
Pre-Tax Rate of Return	27.15%	27.15%	15.00%	27.15% assumes 100% equity.
Combined Tax Rate	43.83%	43.83%	na	
Pre-Tax \$ Return on Rate Base	158,744	298,273	87,704	
Income Tax Adjustment	????????	????????	0	Col 1 ACT Return Excessive
REVENUE REQUIREMENT	1,671,891	1,946,789	1,324,482	
Rate Per Ton	\$27.34	29.41	\$17.80	