

 **Metro | Agenda**

MEETING: METRO COUNCIL  
DATE: April 29, 2010  
DAY: Thursday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

**1. INTRODUCTIONS**

**2. CITIZEN COMMUNICATIONS**

**3. CONSENT AGENDA**

3.1 Consideration of Minutes for the April 22, 2010 Metro Council Regular Meeting.

**4. ORDINANCES - SECOND READING**

4.1 **Ordinance No. 10-1237**, For the Purpose of Amending Metro Code Chapter 5.02 to Establish Metro's Solid Waste Disposal Charges and System Fees for Fiscal Year 2010-11. PUBLIC HEARING

4.2 **Ordinance No. 10-1239**, For the Purpose of Amending Metro Code Chapter 7.01 to Modify the Amount of Net Solid Waste Excise Tax Generated and to Repeal the Additional Solid Waste Excise Tax. Park  
PUBLIC HEARING

**5. ORDINANCES - FIRST READING**

5.1 **Ordinance No. 10-1235**, For the Purpose of Adopting the Annual Budget for Fiscal Year 2010-11, Making Appropriations, Levying Ad Valorem Taxes and Declaring an Emergency. PUBLIC HEARING

**6. RESOLUTIONS**

6.1 **Resolution No. 10-4145**, For the Purpose of Approving the FY 2010-11 Budget, Setting Property Tax Levies and Transmitting the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

**7. CHIEF OPERATING OFFICER COMMUNICATION**

**8. COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for April 29, 2010 Metro Council meeting**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, Wash.</b>          Channel 11 – Community Access Network  <a href="http://www.tvctv.org">www.tvctv.org</a> – (503) 629-8534          2 p.m. Thursday, April 29 (Live)</p>	<p><b>Portland</b>          Channel 30 (CityNet 30) – Portland Community Media  <a href="http://www.pcmv.org">www.pcmv.org</a> – (503) 288-1515          8:30 p.m. Sunday, May 2          2 p.m. Monday, May 3</p>
<p><b>Gresham</b>          Channel 30 – MCTV  <a href="http://www.mctv.org">www.mctv.org</a> – (503) 491-7636          2 p.m. Monday, May 3</p>	<p><b>Washington County</b>          Channel 30 – TVC-TV  <a href="http://www.tvctv.org">www.tvctv.org</a> – (503) 629-8534          11 p.m. Saturday, May 1          11 p.m. Sunday, May 2          6 a.m. Tuesday, May 4          4 p.m. Wednesday, May 5</p>
<p><b>Oregon City, Gladstone</b>          Channel 28 – Willamette Falls Television  <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> – (503) 650-0275          Call or visit website for program times.</p>	<p><b>West Linn</b>          Channel 30 – Willamette Falls Television  <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> – (503) 650-0275          Call or visit website for program times.</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 the Metro Council Office @ (503) 797-1540. 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 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.oregonmetro.gov](http://www.oregonmetro.gov) and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Agenda Item Number 3.1

**Consideration of Minutes for the April 22, 2010 Metro Council Regular Meeting.**

*Consent Agenda*

Metro Council Meeting  
Thursday, April 29, 2010  
Metro Council Chamber



Agenda Item Number 4.1

**Ordinance No. 10-1237**, For the Purpose of Amending Metro Code Chapter 5.02 to Establish Metro's Solid Waste Disposal Charges and System Fees for Fiscal Year 2010-11.

ORDINANCES – SECOND READING

Metro Council Meeting  
Thursday, April 29, 2010  
Metro Council Chamber



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING	)	ORDINANCE NO. 10-1237
METRO CODE CHAPTER 5.02	)	
TO ESTABLISH METRO’S SOLID WASTE	)	Introduced by Chief Operating Officer
DISPOSAL CHARGES AND SYSTEM FEES FOR	)	Michael J. Jordan with the concurrence of
FISCAL YEAR 2010-11	)	Council President David Bragdon

WHEREAS, Metro Code Chapter 5.02 establishes charges for disposal of solid waste at Metro South and Metro Central transfer stations; and,

WHEREAS, Metro Code Chapter 5.02 establishes fees assessed on solid waste generated within the District or delivered to solid waste facilities regulated by or contracting with Metro; and,

WHEREAS, Metro’s costs for solid waste services and programs have changed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- Section 1. Metro Code Amendment. Metro Code section 5.02.025 is amended in the form attached hereto as Exhibit “A.”
- Section 2. Metro Code Amendment. Metro Code section 5.02.045 is amended in the form attached hereto as Exhibit “B.”
- Section 3. Metro Code Amendment. Metro Code section 5.02.047 is amended in the form attached hereto as Exhibit “C.”
- Section 4. Effective Date. Pursuant to Metro Code section 7.01.020(e)(1), the provisions of this ordinance shall become effective on August 1, 2010, or 90 days after adoption by Metro Council, whichever is later.

ADOPTED by the Metro Council this 29<sup>th</sup> day of April, 2010.

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

Attest:

Approved as to Form:

\_\_\_\_\_  
Anthony Andersen, Recording Secretary

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

**Exhibit "A" to Ordinance No. 10-1237**

METRO CODE - TITLE V SOLID WASTE  
CHAPTER 5.02 DISPOSAL CHARGES AND USER FEES

5.02.025 Disposal Charges at Metro South & Metro Central Station

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of:

- (1) The following charges for each ton of solid waste delivered for disposal:
  - (A) A tonnage charge of ~~\$51.65~~56.45 per ton,
  - (B) The Regional System Fee as provided in Section 5.02.045,
  - (C) An enhancement fee of \$.50 per ton, and
  - (D) DEQ fees totaling \$1.24 per ton;
- (2) All applicable solid waste taxes as established in Metro Code Chapter 7.01, which excise taxes shall be stated separately; and
- (3) The following Transaction Charge for each Solid Waste Disposal Transaction:
  - (A) For each Solid Waste Disposal Transaction completed at staffed scales, the Transaction Charge shall be ~~\$10.00~~11.00.
  - (B) For each Solid Waste Disposal Transaction that is completed at the automated scales, the Transaction Charge shall be \$3.00.
  - (C) Notwithstanding the provisions of subsection (A), the Solid Waste Disposal Transaction Charge shall be \$3.00 in the event that a transaction that is otherwise capable of being completed at the automated scales must be completed at the staffed scales due to a physical site limitation, a limit or restriction of the computer operating system for the automated scales, or due to a malfunction of the automated scales.



(b) Notwithstanding subsection (a) of this section,

- (1) There shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing ~~440-400~~ pounds or less of \$28, which shall consist of a minimum Tonnage Charge of ~~\$18.00~~17.00 plus a Transaction Charge of ~~\$10.00~~11.00 per Transaction.
- (2) The Chief Operating Officer may waive collection of the Regional System Fee on solid waste that is generated outside the District, and collected by a hauler that is regulated by a local government unit, and accepted at Metro South Station or Metro Central Station.

(c) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(d) The Director of Parks and Environmental Services ~~the Solid Waste & Recycling Department~~ may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

**Exhibit "B" to Ordinance No. 10-1237**

METRO CODE - TITLE V SOLID WASTE  
CHAPTER 5.02 DISPOSAL CHARGES AND USER FEES

5.02.045 Regional System Fees

(a) The Regional System Fee shall be \$~~17.53~~16.72 per ton of solid waste, prorated based on the actual weight of solid waste at issue rounded to the nearest one-hundredth of a ton.

(b) Any waste hauler or other person transporting solid waste generated, originating, or collected from inside the Metro region shall pay Regional System Fees to Metro for the disposal of such solid waste. Payment of applicable system fees to the operator of a Designated Facility shall satisfy the obligation to pay system fees, provided that, if such solid waste is transported to a Designated Facility outside of the Metro region, then such waste hauler or other person must have informed the operator of the Designated Facility that the solid waste was generated, originated or collected inside the Metro region. In any dispute regarding whether such waste hauler or other person informed such operator that the solid waste was generated, originated, or collected inside the Metro region, such waste hauler or other person shall have the burden of proving that such information was communicated.

(c) Designated Facility operators shall collect and pay to Metro the Regional System Fee for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code Section 5.01.150.

(d) When solid waste generated from within the Metro boundary is mixed in the same vehicle or container with solid waste generated from outside the Metro boundary, the load in its entirety shall be reported at the disposal site by the generator or hauler as having been generated within the Metro boundary, and the Regional System Fee shall be paid on the entire load unless the generator or hauler provides the disposal site operator with documentation regarding the total weight of the solid waste in the vehicle or container that was generated within the Metro boundary and the disposal site operator forwards such documentation to Metro, or unless Metro has agreed in writing to another method of reporting.

(e) System fees described in this Section 5.02.045 shall not apply to exemptions listed in Section 5.01.150(b) of this Code.

**Exhibit "C" to Ordinance No. 10-1237**

METRO CODE - TITLE V SOLID WASTE  
CHAPTER 5.02 DISPOSAL CHARGES AND USER FEES

5.02.047 Regional System Fee Credits

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 \$~~15.03~~14.22 against the Regional System Fee otherwise due under Section 5.02.045(a) of this Chapter.



## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 10-1237 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO ESTABLISH METRO'S SOLID WASTE DISPOSAL CHARGES AND SYSTEM FEES FOR FISCAL YEAR 2010-11

Date: April 15, 2010

Prepared by: Douglas Anderson

### EXECUTIVE SUMMARY

**Solid Waste Rates.** Adoption of Ordinance No. 10-1237 would implement the rates shown in boldface in the following table. As a result, on August 1, 2010, the Metro tip fee would rise by \$5.10 per ton to \$85.85 and the Regional System Fee collected from privately-owned disposal sites would fall \$0.81 to \$16.72 per ton.

#### Proposed Solid Waste Disposal Charges Effective August 1, 2010 through July 31, 2011

Solid Waste Rates	Current Rates	Provisional	Change
Transaction Fees			
<b>Staffed scales</b>	\$10.00	<b>\$11.00</b>	\$1.00
<b>Automated scales</b>	\$3.00	<b>\$3.00</b>	- 0 -
Per-ton rates:			
<b>Tonnage Charge</b>	\$51.65	<b>\$56.45</b>	\$4.80
<b>Regional System Fee</b>	\$17.53	<b>\$16.72</b>	<b>(\$0.81)</b>
Excise tax	\$9.83	\$10.94	\$1.11
DEQ & host fees	\$1.74	\$1.74	- 0 -
Metro Tip Fee	\$80.75	\$85.85	\$5.10
Minimum load charge	\$28	<b>\$28</b>	- 0 -

### BACKGROUND

**Why the Changes?** Three types of changes since last year affect the rates:

- Policy
- Costs
- Process

## Policy

Last year, facing a potential \$10 increase in the tip fee, and considering the impact on ratepayers during the economic downturn, the Metro Council explicitly chose a *one-time* departure from its “pay as you go” policy on rates. In simple terms, “pay as you go” is a universally-recognized best business practice, and means that current costs are to be paid from current (*i.e.*, rate) revenue. To implement the departure from pay-as-you-go, Metro used over \$2.4 million of its solid waste fund balance to cover certain one-time costs, backfill various appropriations, and make the annual deposit into the Renewal & Replacement account.

In contrast, the proposed FY 2010-11 rates are based once again on the pay-as-you-go principle. This explains approximately half of the increase shown in the table.

## Costs

Tonnage and inflation are expected to be virtually flat between now and next year, so costs and revenue drive the balance of the rate changes. The main drivers of change are:

- New station operating contracts: cost up 17 percent. Effect on the tip fee: +\$2.52
- A full year of the new transport contract: cost up 9½ percent. Effect on the tip fee: +\$1.45
- Investment income is down 42½ percent. The loss of offsetting revenue means: +\$0.63
- Disposal costs are down 9 percent due to a negotiated settlement with Waste Management in 2007 (Change Order 9). On the tip fee: -\$0.88
- Larger trucks mean fewer trips, meaning fuel costs are down. On the tip fee: -\$0.50
- The budget recognizes over \$1.3 million in new revenue from the statewide PaintCare product stewardship initiative. Effect on the tip fee: -\$1.13
- Of the \$1.11 increase in the excise tax, \$0.49 is an annual adjustment per Metro code that does not require council action. The \$0.62 balance is subject to council adoption of a separate ordinance, the Excise Tax Simplification and Stabilization Ordinance (No. 10-1239), to be first-read on April 15. The effect of this separate ordinance on the tip fee is +\$0.62
- Finally, as mentioned above, the rates are full-cost pay-as-you-go. On the tip fee: +\$2.38

A variety of other, smaller changes combine to round out the net increase to the tip fee. All of this is documented in staff’s Rate Report that will accompany formal transmittal of the proposed rates.

## Process

Last October, the council adopted a new approach toward solid waste rate setting. Among the key changes:

- Align the budget and rate hearing cycles.
- Engage an independent expert to review the rates.
- Periodically review rate criteria and policies.

**Alignment.** The main objectives of this change are to provide more opportunities for the public to review and comment on both the budget and the rates, and to provide the council with immediate feedback on the cross-effects between budget amendments and rate changes.

Budget staff and rate staff have cooperated closely this year in order to deliver rates and the budget on the same schedule. Staff presented the proposed rates at a Council Work Session on March 30, two days before transmittal of the budget. During this transition year the alignment has not been perfect, but the rate and budget ordinances are both scheduled for action on April 29 as originally planned. Staff has

learned from this transition year and looks to apply the lessons learned to next year's process. Completion of a policy review (see "Periodic Review" below) ahead of next year's rate making cycle should contribute toward the improvement of next year's process.

**Independent review.** Finance & Regulatory Services engaged FCS Group of Redmond, Washington for the independent review. Per Metro Code, FCS has delivered its report directly to the Metro Council. In general, FCS found the empirical rate work to be sound and consistent with best practices. FCS found the proposed rate increase to be justified. FCS made recommendations to strengthen the rate making process, including linking it more closely to medium-term and strategic financial planning efforts. In particular, FCS recommended that Metro re-examine its "50% loading" approach toward general and administrative costs; and to ensure that end-of-year "true-up" charges for direct service transfers are based on applicable and objectively measured factors.

**Periodic review of policies and criteria.** The council placed periodic reviews outside the regular rate cycle to allow focus on the policy questions. Periodic reviews will provide a forum for a broad range of stakeholders and interests, and thereby help ensure that rate criteria and policies remain complete and relevant. With the first formal round of periodic review still to come, staff has designed the proposed FY 2010-11 rates to meet the current policies of the council, including a return to the full cost recovery ("pay as you go") policy.

## INFORMATION/ANALYSIS

- 1. Known Opposition.** There is no known opposition.
- 2. Legal Antecedents.** Metro's solid waste rates are set in Metro Code Chapter 5.02. Any change in these rates requires an ordinance amending Chapter 5.02. Metro reviews solid waste rates annually, and has amended Chapter 5.02 when changes are warranted. The excise tax component is controlled by Metro Code sections 7.01.020 and 7.01.023 which do not require annual council action; and by the separate Ordinance No. 10-1239 if the latter is adopted by the council on or about April 29, 2010.
- 3. Anticipated Effects:** If adopted, this ordinance would raise the tip fee and the staffed transaction fee, and reduce the Regional System Fee by the amounts indicated in the table on the first page.

The average effect on the residential customer's curbside collection bill would be about a penny per day, all else equal.

Owners of private solid waste facilities will pay \$0.83 less in Regional System Fee (and, unrelated to this ordinance, an additional \$1.11 in Metro excise tax) on solid waste delivered to a landfill for disposal—a net increase of \$0.30 in Metro fees and taxes. This is the lowest net change since FY 2006-07.

- 4. Budget Impacts.** This ordinance reflects the FY 2010-11 proposed budget and the final adjustment to the new transfer station operations contracts which will be incorporated into the proposed budget as a technical amendment in April..

## RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 10-1237.





Agenda Item Number 4.2

**Ordinance No. 10-1239**, For the Purpose of Amending Metro Code Chapter 7.01 to Modify the Amount of Net Solid Waste Excise Tax Generated and to Repeal the Additional Solid Waste Excise Tax.

ORDINANCES – SECOND READING  
COUNCILOR PARK

Metro Council Meeting  
Thursday, April 29, 2010  
Metro Council Chamber



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 10-1239
CODE CHAPTER 7.01 TO MODIFY THE	)	
AMOUNT OF NET SOLID WASTE EXCISE	)	Introduced by Chief Operating Officer
TAX GENERATED AND TO REPEAL THE	)	Michael J. Jordan with the concurrence of
ADDITIONAL SOLID WASTE EXCISE TAX	)	Council President David Bragdon

WHEREAS, Metro Code establishes two different solid waste excise taxes; and

WHEREAS, Metro code sets forth different methodologies for calculating each tax rate; and

WHEREAS, Over time, the Solid Waste Excise Tax for which provision is made in Metro Code Section 7.01.020 (c)-(e) provides for greater revenue stability than the Additional Excise Tax in Metro Code Section 7.01.023; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- Section 1. Metro Code Amendment. Metro Code Section 7.01.020 is amended in the form attached hereto as Exhibit "A".
- Section 2. Metro Code Amendment. Metro Code section 7.01.023 is repealed.

ADOPTED by the Metro Council this 29<sup>th</sup> day of April, 2010.

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

Attest:

Approved as to Form:

\_\_\_\_\_  
Anthony Andersen, Recording Secretary

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

**Exhibit "A" to Ordinance No. 10-1239**

METRO CODE - TITLE VII FINANCE  
CHAPTER 7.01 EXCISE TAXES  
Sections 7.01.020

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 Except as provided in Metro Code Section 7.01.050, each person who disposes of solid waste at a solid waste system facility shall pay a tax in the amount calculated under subsection (e)(1) for each ton of~~

solid waste disposed 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-person to Metro which is extinguished only by payment of the tax directly to Metro or by the operator to Metro. The user-person 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-person to the operator with each installment.

(d) For the Metro fiscal year beginning July 1, ~~2002~~2010, the tax rate imposed and calculated under subsections (c) through (g) of this section shall be sufficient to generate net excise tax revenue of ~~\$6,050,000~~\$11,370,000 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 a~~ Regional Recovery Rates of 58 percent had been met corresponding to each calendar year set forth on the following schedule had been achieved:

<b>Year</b>	<b>Regional Recovery Rate</b>
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).

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 10-1239, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.01 TO MODIFY THE AMOUNT OF NET SOLID WASTE EXCISE TAX GENERATED AND TO REPEAL THE ADDITIONAL SOLID WASTE EXCISE TAX

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Date: April 15, 2010

Prepared by: Margo Norton, 503 797-1934  
Douglas Anderson, 503-797-1788  
Karen Feher, 503-797-1868

## BACKGROUND

In an effort to stabilize future revenue, this ordinance would change the method by which the Additional Tax on solid waste is calculated. Adoption of this ordinance would increase the maximum solid waste tax yield established in Metro Code by the amount of revenue projected from the “buck a ton” Additional Tax in the current fiscal year. The calculation of the combined Base and Additional Tax would use the same method as is currently used for the base solid waste excise tax. The Additional Tax would be repealed. The results of this action would result in:

- Simplification of the Per-Ton Excise Tax Code
- Stabilization of future revenues

The current method of calculating the Additional Tax results in the revenue production fluctuating significantly with changes in tonnage. In periods of high increases in disposed tonnage, the revenue production increases significantly; likewise, in periods of large decreases in tonnage the revenue production decreases significantly. By combining the two separate taxes and creating a single way of calculating taxes on solid waste everyone involved will have greater certainty about the amount of taxes that will be collected. In its first year the change will have a rate impact of less than two tenths of one percent on a typical residential customer’s bill and an overall increase of less than eight tenths of one percent of the total solid waste tip fee, raising less than \$650,000 overall. Expenditure of excise tax continues to be limited by Metro’s Charter. The revenue generated by this action will stay beneath that limit.

In a housekeeping sub-amendment, this ordinance also updates the aspirational Regional Recovery Rate that is used in the annual rate calculation. The current rate schedule ends in 2009; this ordinance converts the schedule to a fixed 58 percent rate. This is the current goal set for the wasteshed in state law and the Regional Solid Waste Management Plan (that is, 64 percent less the two percentage points each for waste prevention, reuse and home composting).

In addition, this ordinance clarifies that the tax imposed by Metro Code section 7.01.020(c) is an excise tax on disposal of solid waste generated inside the district and also on solid waste generated outside the region if it is disposed at an in-region system facility. Because Metro has no authority over waste generated outside the region and disposed at a system facility outside the region, the new language cannot make, and is not intended to make, a taxable event out of such out-of-district to out-of-district transactions.

During several meetings in March and early April, local government staff and interested members of the solid waste industry reviewed this proposal.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** None known.
2. **Legal Antecedents:** A change to the solid waste excise tax requires amendment of Metro Code Chapter 7.01 by an ordinance of the council..
3. **Anticipated Effects:** Increases the FY 2010-11 expected excise tax revenue by an estimated \$650,000 and stabilizes revenues subsequent to that fiscal year. The FY 2010-11 rate impact is 62 cents per ton. The statutory yield of solid waste excise tax in Metro Code will increase from the current level of approximately \$7.2 million by about \$4.2 million, to \$11.37 million—offset by the repeal of the Additional Tax. Also fixes a 58 percent recovery rate for the tax rate calculation and clarifies that the tax imposed is an excise tax on all disposal.
4. **Budget Impacts:** The net increase in FY 2010-11 is an estimated \$650,000 over a “no action” scenario. This increase is included in the Proposed FY 2010-11 budget.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends that council adopt Ordinance No. 10-1239.



Agenda Item Number 5.1

**Ordinance No. 10-1235**, For the Purpose of Adopting the Annual Budget for Fiscal Year 2010-11, Making Appropriations, Levying Ad Valorem Taxes and Declaring an Emergency.

ORDINANCES – FIRST READING  
PUBLIC HEARING

Metro Council Meeting  
Thursday, April 29, 2010  
Metro Council Chamber



BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR	)	ORDINANCE NO. 10-1235
FISCAL YEAR FY 2010-11, MAKING	)	
APPROPRIATIONS, LEVYING AD VALOREM	)	Introduced by Michael Jordan, Chief
TAXES, AND DECLARING AN EMERGENCY	)	Operating Officer, with the concurrence of
	)	Council President David Bragdon

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, 2010, and ending June 30, 2011; 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 2010-11 Metro Budget,” in the total amount of FOUR HUNDRED TWENTY FIVE MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$425,115,000), 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 NINE MILLION ONE HUNDRED TWENTY EIGHT THOUSAND ONE HUNDRED TWENTY SEVEN DOLLARS (\$39,128,127) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2010-11. 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 <u>the Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$39,128,127

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, 2010, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

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

5. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2010, 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 17<sup>th</sup> day of June 2010.

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David Bragdon, Council President

ATTEST:

Approved as to Form:

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Anthony Andersen, Recording Secretary

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Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 10-1235 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2010-11, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

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Date: April 1, 2010

Presented by: Michael Jordan  
Chief Operating Officer

## BACKGROUND

I am forwarding to the Metro Council for consideration and approval my proposed budget for fiscal year 2010-11.

Metro Council action, through Ordinance No. 10-1235 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, 2010.

Once the budget plan for fiscal year 2010-11 is approved by the Metro Council on April 29, 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 late April 2010 and adoption in June 2010.

Exhibit A to this Ordinance will be available subsequent to the Tax Supervising and Conservation Commission hearing June 3, 2010. Exhibits B and C of the Ordinance will be available at the public hearing on April 1, 2010.

## ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget during the month of April 2010. 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, 2010. The Commission will conduct a hearing on June 3, 2010 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 2010-11 budget, effective July 1, 2010.
4. **Budget Impacts** – The total amount of the proposed FY 2010-11 annual budget is \$425,115,000 and 752.60 FTE.

**RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of Ordinance No. 10-1235

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Agenda Item Number 6.1

**Resolution No. 10-4145**, For the Purpose of Approving the FY 2010-11 Budget, Setting Property Tax Levies and Transmitting the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

RESOLUTIONS  
CARRIER TBA

Metro Council Meeting  
Thursday, April 29, 2010  
Metro Council Chamber





BEFORE THE METRO COUNCIL

APPROVING THE FY 2010-11 BUDGET, SETTING )  
PROPERTY TAX LEVIES AND TRANSMITTING )  
THE APPROVED BUDGET TO THE MULTNOMAH )  
COUNTY TAX SUPERVISING AND )  
CONSERVATION COMMISSION )

RESOLUTION NO 10-4145

Introduced by  
David Bragdon, Council President

WHEREAS, the Metro Council, convened as the Budget Committee, has reviewed the FY 2010-11 Proposed Budget; and

WHEREAS, the Council, convened as the Budget Committee, has conducted a public hearing on the FY 2010-11 Proposed Budget; and

WHEREAS, pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2010-11 Budget, and said approved budget must be transmitted to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

1. That the Proposed FY 2010-11 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2010-11 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Permanent Tax Rate	\$0.0966/\$1,000	
General Obligation Bond Levy		\$39,128,127

3. That the Chief Operating Officer is hereby directed to submit the Approved FY 2010-11 Budget and Appropriations Schedule to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 29th day of April, 2010.

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

APPROVED AS TO FORM:

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

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 10-4145 APPROVING THE FY 2010-11 BUDGET, SETTING PROPERTY TAX LEVIES AND TRANSMITTING THE APPROVED BUDGET TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION

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Date: April 29, 2010

Presented by: David Bragdon  
Council President

## BACKGROUND

On April 1, 2010, the Chief Operating Officer presented FY 2010-11 Proposed Budget to the Metro Council sitting as Budget Committee.

During the month of April a series of public work sessions and public hearings on the budget were held. The Council discussed budget issues with senior management and staff and received testimony from interested members of the general public and Metro stakeholders. Amendments to the Proposed Budget were developed, discussed and deliberated by the Council. Those amendments approved by the Council are included in the Approved Budget.

The action taken by this resolution is the interim step between initial proposal of the budget and final adoption of the budget in June. Oregon Budget Law requires that Metro approve and transmit its budget to the Multnomah County Tax Supervising and Conservation Commission (TSCC). Members of the TSCC are appointed by the Governor to supervise local government budgeting and taxing activities in Multnomah County. The TSCC will hold a public hearing on Metro's budget scheduled for Thursday, June 3, 2010 at 12:30 p.m. in the Metro Council Chamber Annex. Following the meeting, the TSCC will provide a letter of certification for Metro's budget at which time the Council will formally adopt the final budget for FY 2010-11. The adoption of the budget is currently scheduled for Thursday, June 17, 2010.

Oregon Budget Law requires the Budget Committee of each local jurisdiction to set the property tax levies for the ensuing year at the time the budget is approved. Under budget law the Metro Council sits as the Budget Committee for this action. The tax levies must be summarized in the resolution that approves the budget and cannot be increased beyond this amount following approval.

## ANALYSIS/INFORMATION

1. **Known Opposition** – None known at this 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 Multnomah County Tax Supervising and Conservation Commission by May 15, 2010. The Commission will conduct a hearing on June 3, 2010 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.

3. **Anticipated Effects** – Adoption of this resolution will set the maximum tax levies for FY 2010-11 and authorize the transmittal of the approved budget to the Multnomah County Tax Supervising and Conservation Commission.
4. **Budget Impacts** – The total amount of the proposed FY 2010-11 annual budget was \$425,115,000. Changes to the proposed budget were identified during the month of April. The Council voted on amendments prior to approval of the budget on April 29, 2010. All approved amendments will be incorporated into the approved budget prior to transmittal to the TSCC.

### **RECOMMENDED ACTION**

The Council President recommends adoption of Resolution No. 10-4145 approving the FY 2010-11 budget and authorizing the Chief Operating Officer to submit the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

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