

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF PROVIDING FOR) RESOLUTION NO. 85-549
THE ASSESSMENT OF DUES TO LOCAL)
GOVERNMENTS FOR FY 1985-86) Introduced by the
) Executive Officer

WHEREAS, ORS Chapter 268 authorizes the Council of the
Metropolitan Service District (Metro) to:

"charge the cities and counties within
the District for the services and
activities carried out under ORS 268.380
and 268.390."; now, therefore,

WHEREAS, Metro Ordinance No. 84-180 requires that the Metro
Council seek the advice of local government officials regarding dues
level through the Intergovernmental Resource Committee and this
condition has been fulfilled; now, therefore,

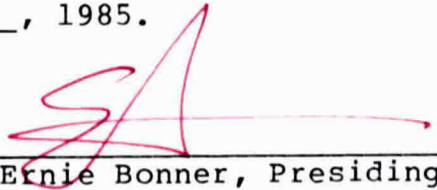
BE IT RESOLVED,

That the Metro Council hereby establishes local government
dues assessments within the District in the amount of \$.51 per
capita for Fiscal Year 1985-86; and

BE IT FURTHER RESOLVED,

That notification of the assessment be sent to all cities
and counties within the District prior to March 2, 1985.

ADOPTED by the Council of the Metropolitan Service District
this 28th day of February, 1985.


Ernie Bonner, Presiding Officer

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STAFF REPORT

Agenda Item No. 7.1

Meeting Date Feb. 28, 1985

CONSIDERATION OF RESOLUTION NO. 85-549 FOR THE
PURPOSE OF PROVIDING FOR THE ASSESSMENT OF DUES
TO LOCAL GOVERNMENTS FOR FY 1985-86

Date: February 28, 1985 Presented by: Steve Siegel

FACTUAL BACKGROUND AND ANALYSIS

Assessment Authorization and Procedure

Chapter 353 Oregon Laws 1981 authorizes the Council to:

"charge the cities and counties within the
district for the services and activities
carried out under ORS 268.380 and 268.390."

If the Council determines that it is necessary to charge these local governments, it must determine the total amount to be charged and assess each city and county on a population basis. The population of the county cannot include the population of any city within that county. The Council's assessment cannot exceed \$.51 per capita per year. The Council has the ability to determine the population of each city and county.

In making the assessment, the Council is required to notify each city and county of its intent to assess and the amount of the assessment at least 120 days before the beginning of the fiscal year for which the charge will be made. The Council must make the notification for the FY 1985-86 assessment by no later than March 1, 1985. Assessments charged to cities and counties are mandatory and they must pay them before October 1, 1985.

A copy of the assessment portion of ORS 268.513 is attached as Exhibit A.

Metro Ordinance No. 84-180 established a local officials advisory committee for the purpose of recommending an Intergovernmental Resource Center work program and related dues level. This advisory committee has met three times to review the related material and formulate a recommendation. Their recommended dues assessment is \$.51 per capita. Tri-Met and the Port of Portland are assessed at .125 of this rate.

Proposed FY 1985-86 Assessment

Exhibit B attached shows the proposed assessments for FY 1985-86.

The proposed assessments are based upon the latest certified population figures from the Center for Population Research and Census at Portland State University. The County's unincorporated population estimate is based upon data provided by the Center for Population Research using a formula devised by Metro staff.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends that the Council establish a FY 1985-86 dues assessment at \$.51 per capita.

COMMITTEE CONSIDERATION AND RECOMMENDATION

On February 22, 1985, the Intergovernmental Resource Committee unanimously recommended Council adoption of a FY 1985-86 Local Government Dues Assessment of \$.51 per capita.

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268.505 Income tax; rate limitation; elector approval required. (1) To carry out the purposes of this chapter, a district may by ordinance impose a tax:

(a) Upon the entire taxable income of every resident of the district subject to tax under ORS chapter 316 and upon the taxable income of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316; and

(b) On or measured by the net income of a mercantile, manufacturing, business, financial, centrally assessed, investment, insurance or other corporation or entity taxable as a corporation doing business, located, or having a place of business or office within or having income derived from sources within the district which income is subject to tax under ORS chapter 317 or 318.

(2) The rate of the tax imposed by ordinance adopted under authority of subsection (1) of this section shall not exceed one percent. The tax may be imposed and collected as a surtax upon the state income or excise tax.

(3) Any ordinance adopted pursuant to subsection (1) of this section may require a nonresident, corporation or other entity taxable as a corporation having income from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net income to the district in the manner required for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675.

(4) If a district adopts an ordinance under this section, the ordinance shall be consistent with any state law relating to the same subject, and with rules and regulations of the Department of Revenue prescribed under ORS 305.620.

(5) Any ordinance adopted by the district under subsection (1) of this section shall receive the approval of the electors of the district before taking effect. [1977 c.665 §22]

268.510 [1969 c.700 §18; repealed by 1981 c.641 §9]

268.512 Public lands within water control project subject to assessments and fees. Any land situated within a surface water control project undertaken by the district, the title to which is vested in the state or any county, city or town, shall be subject to assessment and imposition of service fees by the district. The full amount of assessments or service fees due against such land shall be paid to the district at the same times and in the same manner as other district assessments and service fees. [1977 c.665 §23a]

268.513 Service charge for planning functions of district. (1) The council, in its sole discretion, may determine that it is necessary to charge the cities and counties within the district for the services and activities carried out under ORS 268.380 and 268.390. If the council determines that it is necessary to charge cities and counties within the district for any fiscal year, it shall determine the total amount to be charged and shall assess each city and county with the portion of the total amount as the population of the portion of the city or county within the district bears to the total population of the district provided, however, that the service charge shall not exceed the rate of 51 cents per capita per year. For the purposes of this subsection the population of a county does not include the population of any city situated within the boundaries of that county. The population of each city and county shall be determined in the manner prescribed by the council.

(2) The council shall notify each city and county of its intent to assess and the amount it proposes to assess each city and county at least 120 days before the beginning of the fiscal year for which the charge will be made.

(3) The decision of the council to charge the cities and counties within the district, and the amount of the charge upon each, shall be binding upon those cities and counties. Cities and counties shall pay their charge on or before October 1 of the fiscal year for which the charge has been made.

(4) This section shall not apply to a fiscal year which ends later than June 30, 1985. [1977 c.665 §16; 1979 c.804 §10; 1981 c.353 §5]

268.515 Service and user charges; grants; loans. (1) A district may impose and collect service or user charges in payment for its services or for the purposes of financing the planning, design, engineering, construction, operation, maintenance, repair and expansion of facilities, equipment, systems or improvements authorized by this chapter.

(2) A district may seek and accept grants of financial and other assistance from public and private sources.

(3) A district may, with the approval of a majority of members of its governing body, borrow money from any county or city with territory in the district.

(4) A district may, by entering into loan or grant contracts or by the issuance of bonds, notes or other obligations with the approval of a majority of members of its governing body, borrow money from the state or its agencies or

EXHIBIT B

PROPOSED LOCAL GOVERNMENT DUES

UNIT	Pop. Est. ¹ 1984	Proposed Dues FY 1985-86 @ \$0.51/
Clackamas Co. (unincorp.)	81,746	\$ 41,690.46
Gladstone	9,600	4,896.00
Happy Valley	1,460	744.60
Johnson City	375	191.25
Lake Oswego	23,500	11,985.00
Milwaukie	17,475	8,912.25
Oregon City	14,440	7,364.40
Rivergrove	320	163.20
West Linn	12,620	6,436.20
Wilsonville	3,475	1,772.25
Multnomah Co. (unincorp.)	137,137	69,939.87
Fairview	1,800	918.00
Gresham	36,370	18,548.70
Maywood Park	825	420.75
Portland	371,500	189,465.00
Troutdale	6,850	3,493.50
Wood Village	2,580	1,315.80
Washington Co. (unincorp.)	118,747	60,560.97
Beaverton	33,450	17,059.50
Cornelius	4,970	2,534.70
Durham	685	349.35
Forest Grove	11,700	5,967.00
Hillsboro	29,750	15,172.50
King City	1,800	918.00
Sherwood	2,595	1,323.45
Tigard	18,450	9,409.50
Tualatin	10,150	5,176.50
LOCAL GOVERNMENT ASSESSMENT	954,370	\$486,728.70
Port of Portland		60,841.09
Tri-Met		60,841.09
TOTAL PROPOSED ASSESSMENT		<u>\$608,410.88</u>

¹Population estimate based upon July 1, 1984, certified estimates or population for Oregon cities and counties prepared by the Center for Population Research and Census, Portland State University.

FOOTNOTES TO EXHIBIT B

¹Population estimate based upon July 1, 1984 certified estimates of population for Oregon cities and counties prepared by the Center for Population Research and Census, Portland State University.

²Unincorporated county population estimate based upon data provided by the Center for Population Research and Census using the formula described in the body of this report. The equation by counties are as follows:

Clackamas County:

Step 1 -	1984 Unincorporated Pop. Est.	146,920
	1980 Unincorporated Pop. Est.	<u>143,800</u>
		+3,120

$3,120 : 143,800 = .0217$

Step 2 - $.0217 \times 80,010$ (1980 Unincorporated inside Metro) = 1,736

Step 3 - $1,736 + 80,010 = \underline{81,746}$ 1984 estimate

Multnomah County:

Step 1 -	1984 Unincorporated Pop. Est.	142,375
	1980 Unincorporated Pop. Est.	<u>152,259</u>
		-9,884

$5,723 : 152,259 = -.0649$

Step 2 - $-.0649 \times 146,657$ (1980 Unincorporated inside Metro) = -9,520

Step 3 - $-9,520 + 146,657 = \underline{137,137}$ 1984 estimate

Washington County:

Step 1 -	1984 Unincorporated Pop. Est.	144,535
	1980 Unincorporated Pop. Est.	<u>143,753</u>
		+782

$782 : 143,753 = .0054$

Step 2 - $.0054 \times 118,104$ (1980 unincorporated inside Metro) = 643

Step 3 - $643 + 118,104 = \underline{118,747}$ 1984 estimate

³Certified population as of December 31, 1984 from center for population research and census (Supplement I).

Councilor Myers asked if staff had experienced any problems with Jones & Jones' prior work at the Zoo. Mr. Rich said no problems had been experienced and staff was very pleased with their excellent work product. The Zoo had received exhibit design awards for two Jones & Jones' projects, he reported: the Penguinarium and the Beaver & Otter Exhibit.

Motion: Councilor Kirkpatrick moved the contract be approved and Councilor Van Bergen seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kirkpatrick, Kelley, Myers, Oleson, Van Bergen and Waker

Absent: Councilors Hansen, Kafoury and Bonner

The motion carried and the contract was approved.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 85-549, for the Purpose of Providing for the Assessment of Dues to Local Governments for FY 1985-86

Jennifer Sims said she would be presenting this agenda item in the absence of Steve Siegel.

Ms. Sims reported the dues bill had not been passed by the State Legislature but Metro was required to notify local governments 120 days in advance of the new fiscal year of its intent to levy dues should the state legislation be adopted. A committee of local government officials has recommended a rate of \$.51 per capita be levied and invoices would be sent to the local governments when the legislation is adopted. This advance notice would also assist Metro and the local governments in their budget preparation process, she said.

Jean Orcutt, 12831 S.E. Morrison, Portland, Oregon, testified the Council did not have authority to approve assessment of cities and counties within the District for FY 1985-86 per capita dues. House Bill 2037, which would give Metro permanent authority to collect dues, had not yet been approved by the Legislature and this bill was another attempt by Metro to obtain funding without facing the District voters, she said. She recalled Metro requested an extension of dues collection

authority in 1980 and a four-year exention was granted by the Legislature in 1981. Metro was admonished not to return for another funding request, she said. Ms. Orcutt said now Metro was requesting permanent authority which would be extended to include Tri-Met and the Port of Portland in addition to cities and counties. She criticized Metro for not requesting the District voters to approve a funding base.

Executive Officer Gustafson explained the purpose of Resolution No. 85-549 was to notify local jurisdictions of Metro's intention to assess dues. He said if the bill was not passed by the Legislature, the Council realized it had no authority to assess the dues. Deputy Presiding Officer Waker added that the local governments had been directly involved in setting the level of dues assessed and in developing a work program for Metro.

Councilor Myers reported that HB 2037 had recently been amended to allow for a four-year extension, not a permanent extension as Ms. Orcutt had reported.

Motion: Councilor Kirkpatrick moved that Resolution No. 85-549 be adopted. Councilor DeJardin seconded the motion.

Councilor Kirkpatrick said the staff report for this agenda item had erroneously noted the Intergovernmental Resource Committee had unanimously authorized the \$.51 dues level. The \$.51 authorization was not unanimous, but a clear majority had authorized the amount, she explained. In addition, Councilor Kirkpatrick said the committee process had worked extremely well in opening up lines of communication. Committee participants had requested Metro host an open house to further develop communication.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kirkpatrick, Kelley, Myers, Oleson, Van Bergen and Waker

Absent: Councilors Hansen, Kafoury and Bonner

The motion carried and the Resolution was adopted.

The above vote was a voice vote. Ms. Orcutt then requested a roll call vote. The Clerk called the roll and the results of that vote were the same as noted above.