

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SELECTING A) RESOLUTION NO. 86-617
TAX MEASURE OPTION AND ADOPTING)
RELATED FINANCIAL POLICIES) Introduced by Councilors
) Kirkpatrick and Waker

WHEREAS, The Metropolitan Service District (Metro) was established through enabling legislation enacted in 1977, and by a vote of the people in 1978, to provide regional services to residents and property owners within the boundaries of the District; and

WHEREAS, Metro currently provides zoo, solid waste disposal, urban growth boundary management, regional transportation planning and coordination, and other regional and local government coordination services; and

WHEREAS, The elected Council of the Metropolitan Service District is responsible for the allocation of resources to various services through the annual budget process; and

WHEREAS, The Council approved long-range financial principles and policies (adoption of Resolution No. 84-444) which provides, in part, for the identification of revenue sources for all Metro functions including the Zoo, and policy-making and administrative costs of the Council and Executive Officer; and

WHEREAS, The Council adopted Priorities and Objectives on February 28, 1985, including a priority to "establish and maintain firm financial support for all services"; and

WHEREAS, In carrying out the financial Priorities and Objectives for 1985, Council members held approximately 19 meetings with a total of 125 citizens and Legislators to seek advice on the

type and purpose of a tax measure to be placed on the May 1985 ballot; and

WHEREAS, A majority of the tax advisory groups suggested that Metro place a single measure on the ballot which combines the financial needs of specific individual services; and

WHEREAS, Under Oregon law establishment of a tax base is a desired method to achieve stable long-range financing of certain local government services; now, therefore,

BE IT RESOLVED,

1. That the Metropolitan Service District shall place before the voters in the May 1986 Primary election a tax base measure to fund Zoo operations, and policy and administrative costs of the Council and Executive Officer necessary to carry out the lawful purposes of the District including Zoo operations, solid waste disposal, transportation planning and coordination, and other regional services.

2. That the policies as described in Exhibit A (attached) shall be implemented upon successful passage of the tax base.

ADOPTED by the Council of the Metropolitan Service District this 9th day of January, 1986.


Richard Waker, Presiding Officer

DC/g1/4957C/445-6
01/13/86

EXHIBIT A

FINANCIAL POLICIES TO BE IMPLEMENTED UPON
SUCCESSFUL PASSAGE OF TAX BASE

1. Proceeds from tax base levies will be allocated to: (1) Zoo operations, and (2) policy and administrative costs of the Council and Executive Officer necessary to carry out the purposes of the District. Increases in the base which do not require voter approval shall be allocated to each of the above stated purposes separately based upon the annual budget process; however, neither of the two above stated purposes shall receive any portion of the other's authorized increase.
2. A separate fund shall be established to budget and account for costs of the elected Council and Executive Officer for their respective regional policy-making and administrative activities as well as other costs mandated by state law.
3. All operating funds shall pay for proportionate costs of central services and no monies shall be transferred from other operating funds (currently Zoo and Solid Waste Operating and the IRC Fund) to the proposed new fund to pay for the costs of policy and administrative activities of the Council and Executive Officer.

4957C/445-5

STAFF REPORT

Agenda Item No. 9.3

Meeting Date Jan. 9, 1986

CONSIDERATION OF RESOLUTION NO. 85-617 SELECTING
A TAX MEASURE OPTION AND ADOPTING RELATED
FINANCIAL POLICIES

Date: January 7, 1986

Presented by: Councilor Kirkpatrick
Donald E. Carlson

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this Staff Report is to present Resolution No. 85-617 which recommends the combined tax base option and certain financial policies to be implemented upon approval of the tax base measure. Upon adoption of Resolution No. 85-617, staff will prepare an ordinance for Council consideration which submits the actual measure to the voters. First reading of the ordinance will be on January 23, 1986, and second reading and adoption is proposed for February 13, 1986. The schedule is necessary for such measure to be published in the May Primary Voters' Pamphlet.

Metro has been concerned about achieving long-range financial stability for several years. The Council adopted Resolution No. 84-444 setting forth long-range financial principles and policies for the District in January 1984. In June of 1984, the Council adopted two-year Priorities and Objectives including a priority to "Establish and Maintain Adequate and Firm Financial Support for all Services." This same priority was readopted by the Council in February 1985 for FY 1985-86. To achieve this priority the Council adopted specific objectives including (excerpted from Resolution No. 84-477):

- "1. Define elements of General Fund and Support Services Fund...
- "3. Secure authorization for permanent General Fund.
- "4. Secure permanent finances for Zoo operation and maintenance."

Metro's 1985 legislative package, in part, included legislation to receive a portion of state-shared revenues (cigarette tax) allocated to local governments and authority to impose an excise tax on District services. Revenue from these sources would be used to defray costs of the Council and Executive Officer to undertake policy and administrative activities as well as other mandated costs. The state-shared revenue legislation was not enacted, however, the excise tax legislation was. During legislative deliberations on the

District's financial bills several Legislators expressed the opinion that the District should seek a tax base from the voters to meet its financial needs. This opinion was shared by the Governor in his veto message of the excise tax legislation as follows:

"I am filing herewith House Bill 2275, unsigned and disapproved.... My rationale is based on a desire to see the...District go before the voters for a permanent tax base. House Bill 2275 and the excise tax authority serve as a disincentive in accomplishing this objective.... However, my strong desire to see the...District establish a tax base overrode my support for the signature provisions. Hopefully, by vetoing this legislation, I will have sent a clear message to the elected Metro Council and the Executive Director on what I believe is an appropriate course of action."

Following the 1985 Legislative session the Council commenced a program (Tax Advisory Groups) to consider the property tax as a permanent source of funding for the Zoo and costs of policy-making and administration of District services. During the fall, Council members held 19 meetings with a total of approximately 125 interested citizens and Legislators to obtain advice on the type and purpose of a tax measure to place before the voters in the 1986 May Primary. In addition, the Council held a public hearing on this issue on November 26, 1985, at which time eight Legislators and several citizens, including supporters of the Zoo, addressed this issue. Attachment 1 to this report is the information presented to the Council for that hearing including summary reports of all the citizen Tax Advisory Groups, the report and recommendation from the Board of Directors of the Friends of the Zoo, and summaries from the Council/Legislator meetings.

At the November 26, 1985, Council meeting Presiding Officer Bonner appointed an Ad Hoc Council Committee to prepare a recommendation to the Council on the type and purpose of a tax measure proposal for the May Primary. Councilor Kirkpatrick was appointed as Chair and Councilors Kelley and Waker as members.

Committee Recommendation

The Ad Hoc Committee recommends adoption of Resolution No. 86-617 which provides for the submittal of a tax base measure to voters for the purpose of funding Zoo operations as well as Council and Executive Officer costs for policy and administration of District services. The Resolution also contains several policies to be implemented by the Council and Executive Officer upon successful passage of the tax base. Included in these policies are an allocation of tax base revenue between the two identified purposes, a commitment to create a separate fund to budget and account for Council policy-making and Executive Officer administrative costs as well as other mandated costs, and a commitment for all operating

funds to share costs of central services and the elimination of transfers from operating funds to pay for Council and Executive Officer costs.

As indicated earlier, if the Council adopts Resolution No. 85-617, staff will return with an ordinance which will be the instrument to submit such a proposal to the voters. The ordinance will include the actual ballot title which includes the specific dollar amount of the tax base request.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 85-617.

DEC/gl
4957C/445-2
01/07/86



Memo

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201-5287 503 221-1646
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: November 19, 1985

To: Metro Council

From: *DEC*
Donald E. Carlson, Deputy Executive Officer

Regarding: Information for November 26 Tax Measure
Public Hearing

As you know, we have scheduled a public hearing on November 26, 1985, on the tax measure issue. Invitations to appear have been sent to all citizens who participated in Council Tax Advisory Group meetings, all Tri-County area legislators and representatives of the Friends of the Zoo Ad Hoc Task Force. Please find attached the following information regarding this issue:

- Exhibit A A memo titled "Final Report on Council Tax Advisory Group Meetings," dated November 12, 1985. This memo was sent to all TAG participants.
- Exhibit B A letter from the Friends of the Zoo dated November 7, 1985, transmitting the FOZ Board of Directors recommendation on this issue.
- Exhibit C Meeting summaries from Council/Legislator discussions on this issue.

Please review this information and bring it with you to the November 26 meeting. If you have any questions, please let me know.

DEC:amn



Memo

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646
 Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: November 12, 1985
 To: Metro Council
 From: Donald E. Carlson, Deputy Executive Officer
 Regarding: Final Report on Council Tax Advisory Group Meetings

The purpose of this memo is to provide a status report on the Tax Advisory Group (TAG) meetings held to date. Since the end of August 10 meetings have been held as follows:

Date	Day	Time	Place	Councilor	Number of Guests
8/28	Wednesday	Noon	Metro	Kafoury	13
9/10	Tuesday	Noon	Tualatin Chamber	Kirkpatrick	16
9/12	Thursday	Noon	Plaza West	Oleson/ Waker	5
9/17	Tuesday	4:30 p.m.	Metro	Gardner	7
9/18	Wednesday	Noon	Beaverton Park Place	Oleson/ Waker	9
9/25	Wednesday	7:00 p.m.	Multnomah Center	Gardner	4
9/25	Wednesday	Noon	Beaverton Park Place	Oleson/ Waker	8
10/14	Monday	Noon	Tigard Chamber Public Affairs Committee	Kirkpatrick	7
10/17	Thursday	7:30 p.m.	Home of Joe Voboril	Bonner	7
10/24	Thursday	Noon	Multnomah County Building at 190th	Kelley	17

Memorandum
November 12, 1985
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As you recall, the purpose of these meetings is to obtain advice from interested persons on whether or not to put a tax measure on the May 1986 Primary election ballot and if one is submitted, the type of levy (tax base or serial levy) and the purpose of the levy (Zoo or General Government or a combined levy).

Information provided to the participants is the "Council Tax Advisory Group Discussion Outline" attached as Exhibit A. That outline provides background information on the status of Metro's major revenue sources, the relevant financial policies adopted by the Council, as well as projected property tax needs for Zoo operations and General Government functions. Time has been taken at each meeting to review this material with the participants.

Exhibit B attached provides a brief summary from each meeting. General conclusions at this time appear to be as follows:

Whether or Not to Put a Measure on the Ballot

None of the groups concluded that Metro absolutely should not put a measure on the ballot in May. There were many expressions that property tax measures will continue to face severe voter resistance especially in the wake of the sales tax defeat. One group (Waker/Oleson, September 12) and several other individuals strongly recommended that if Metro decides to put a measure on the ballot, they do so with a strong commitment and effort to pass the measure. This recommendation was made in the context of a discussion about the Legislature and Governor requiring Metro to put a measure on the ballot. Their advice was do not put a measure on the ballot simply to satisfy legislative interests.

Purpose of the Levy: Zoo Operations Only or Combined Zoo/General Government Levy

Most of the groups generally concluded that Metro should submit a combined levy. Common reasons expressed were: 1) General Government should capitalize on the Zoo as a popular service (cities and counties do the same thing with police and fire protection); 2) submitting a combined levy first enables the Council to eliminate General Government for the second election; 3) combining the levy would not do harm to the Zoo in the long run (the public will always support the Zoo); and 4) submitting a combined levy would place Metro in a better position with the 1987 Legislature when we seek additional taxing authority.

Two groups (Kafoury, August 28, and Gardner, September 25) recommended that only a Zoo levy be placed on the ballot. They concluded that a combined levy could not be passed and placed strong emphasis on Metro putting forth a "successful" ballot measure. These groups advised Metro to return to the 1987 Legislative Session to obtain other taxing authority for General Government purposes.

Memorandum
November 12, 1985
Page 3

One individual (Tualatin City Administrator) suggested that Metro replace the local government dues with a tax levy. One person suggested that the entire General Fund (General Government and Support Services activities) be included in a combined levy.

Type of Levy: Tax Base or Serial Levy

It was difficult to obtain a clear direction on this point. The general conclusion of most groups was that a tax base is more difficult to pass than a serial levy. Several people suggested a strategy of submitting a tax base levy first and a serial levy second. Several individuals strongly recommended that a serial levy be used because of voter resistance to the tax bases.

Other Issues

The Kafoury group (August 28) spent a considerable amount of time discussing the future of Metro. This discussion was initiated by a conclusion that a General Government levy measure might be more acceptable if Metro has more to do. A general conclusion was that Metro should be more aggressive or bold in responding to regional service needs.

The Kelley group (October 24) suggested that Metro return to Salem for an excise tax if a tax base or serial levy is defeated.

DEC/srs
4424C/D1-4
11/12/85

COUNCIL TAX ADVISORY GROUP DISCUSSION OUTLINE

BACKGROUND

FINANCIAL STABILITY IS AN IMPORTANT GOAL FOR METRO

STATUS OF REVENUE SOURCES

- o Zoo Operating and Capital serial levy (\$5,000,000/year) expires at end of FY 1986-87
- o Local government dues expire on June 30, 1989
- o Federal and state grants for planning purposes are generally declining
- o Solid Waste disposal fees are sufficient to cover cost of Solid Waste function

FINANCIAL POLICIES ADOPTED BY METRO COUNCIL

- o Each functional area secure identified source of revenue
 - . Zoo - admission/concession fees and property taxes
 - . Solid Waste - disposal and user fees
 - . Intergovernmental Resource Center (IRC) - grants and local government dues
 - . General Government - separate revenue source
- o General Government will pay for direct costs and its share of support services costs
- o Support Services functions (Accounting, Personnel, Budget, Data Processing, etc.) shall be financed by other operating funds on basis of actual use (see Figure 1 attached)
- o Zoo operations shall be funded approximately 50 percent from property taxes and 50 percent from non-property tax sources (primarily admissions and concession fees)

PROJECTED PROPERTY TAX NEED *

A-5

<u>Existing Function</u>	<u>Four Year Average (1986-87 to 1989-90)</u>
Zoo Operations	\$3,300,000 (\$3,500,000 if General Government not funded)
General Government **	<u>\$ 900,000</u>
Total	\$4,200,000

* Based on following projections attached: Table I, Zoo Operating Fund Requirements; Table II, Zoo Operating Fund Resources; Table III, Proposed General Government Fund Expenditure Projections; and Table IV, Proposed Support Services Fund Expenditure Projections.

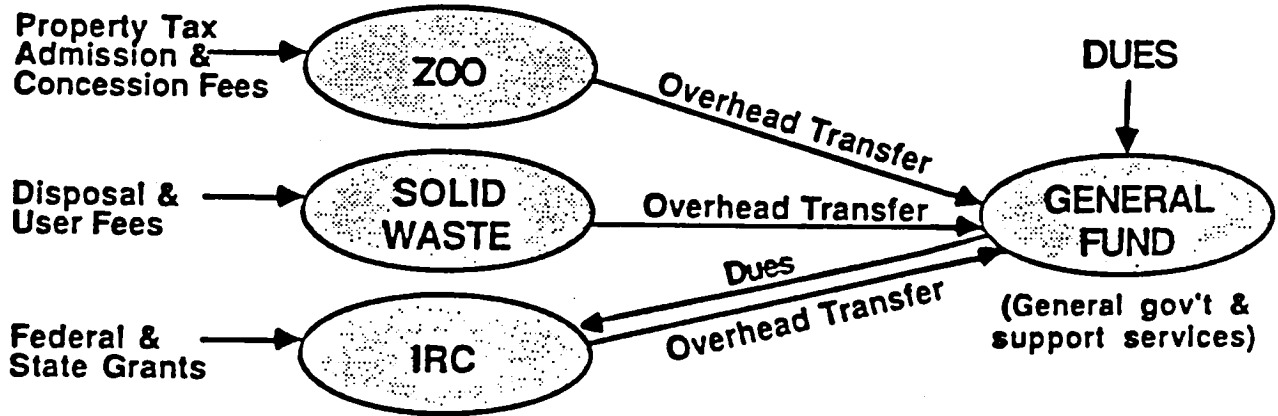
** State mandated costs including Council, Executive Management, elections, Boundary Commission dues, UGB management and land use coordination and proportionate share of support services costs.

DISCUSSION QUESTIONS

1. Should Metro seek a tax base from District voters at the May 1986 election?
2. What should be included in the tax base measure? Zoo needs, General Government needs, other functions.
3. What are the chances of passing a tax measure in May 1986?
4. What are the advantages and disadvantages to submitting a tax measure in May 1986?

DEC/amn
3995C/D4-4
08/13/85

Current (1985-86) Four Operating Fund System



Proposed (1986-87) Five Operating Fund System

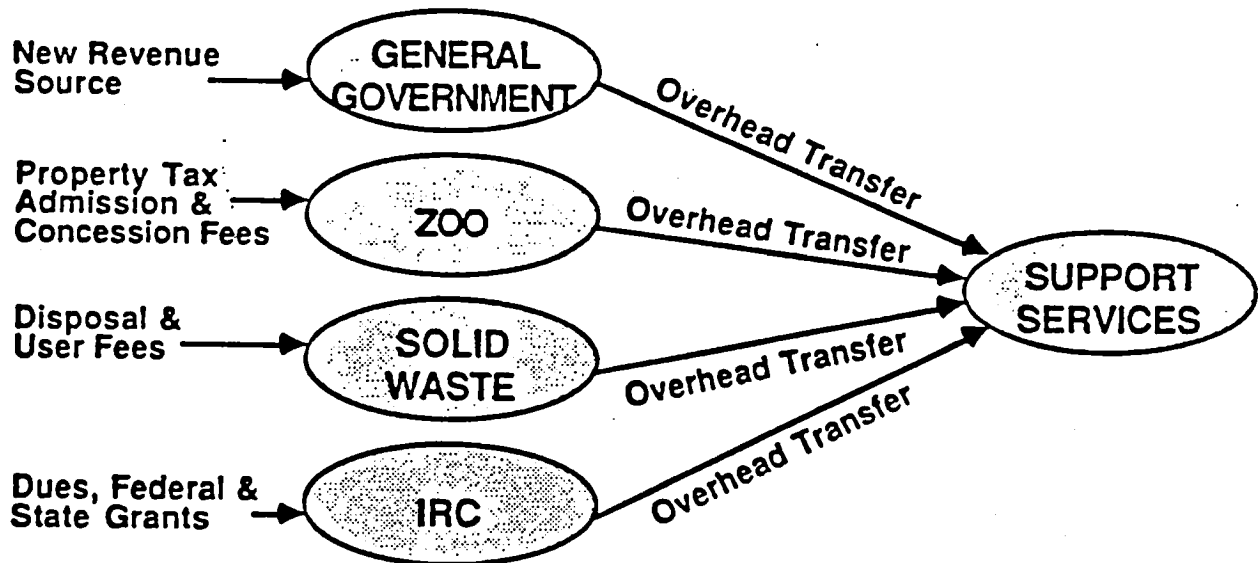


TABLE 1
ZOO OPERATING FUND REQUIREMENTS
SUMMARY

CATEGORY	FY 84/85	FY 85/86 ^a	FY 86/87 ^a	FY 87/88 ^a	FY 88/89 ^a	FY 89/90 ^a
Personal Services	2,966,457	3,239,283	3,530,737	3,790,492	3,964,092	4,163,644
Materials & Services	1,655,899	1,963,982	2,246,722	2,476,105	2,565,456	2,716,486
Capital Outlay	302,824	398,134	445,845	453,278	460,341	483,358
Transfer to: ^b						
Support Services Fund	468,728	484,815	407,108	422,058	438,374	455,393
Building Fund	25,495	79,452	50,230	21,529	24,687	22,570
SUB-TOTAL O & M	5,419,403	6,165,666	6,680,640	7,163,462	7,452,950	7,841,451
Contingency	0	168,042	186,699	201,598	209,697	220,905
Ending Unappropriated Balance Unreserved	1,784,294	1,034,058	830,000	661,500	694,575	729,304
Transfer to Capital Fund		438,883	0	0	0	0
TOTAL REQUIREMENTS	7,203,697	7,806,649	7,697,339	8,026,558	8,357,222	8,791,660

a. Assumes an inflation rate of 4% for personal services and 5% for the other categories annually 1985-86 to 1989-90.
b. For fiscal years 1984-85 and 1985-86, includes general fund transfer.

TABLE II
ZOO OPERATING FUND RESOURCES
SUMMARY

CATEGORY	FY 84/85	FY 85/86	FY 86/87	FY 87/88	FY 88/89	FY 89/90
Begin. Fund Balance ^a	1,327,101	1,784,294	1,202,100	1,016,699	863,096	904,272
Enterprise Revenue	2,648,684	2,758,750	3,116,695 ^b	3,550,124	3,883,669 ^b	4,249,095
Property Taxes	2,938,022	3,016,000	3,201,720	3,295,634	3,456,324	3,477,839
All Others	289,890	247,596	176,824	164,101	154,132	160,455
Total Resources	7,203,697	7,806,640	7,697,339	8,026,558	8,357,221	8,791,661

a. Assumes fund balance equals previous year's unappropriated balance plus the contingency.

b. Assumes fee increase on January 1, 1987 and January 1, 1989.

TABLE III
 PROPOSED GENERAL GOVERNMENT FUND EXPENDITURE PROJECTIONS
 1986-87 TO 1989-90

Department	FTE	Current Budgeted General Fund 1985-86 ^b	Proposed General Government Fund Projected Expenditures				Four Year Average
			1986-87	1987-88	1988-89	1989-90	
Council							
Personal Services	2.0	70,223	75,031	78,032	81,153	84,399	
Materials & Services		58,420	61,320	64,386	67,605	70,985	
Capital Outlay		0	3,500	1,500	0	0	
Subtotal		128,643	139,851	143,918	148,758	155,384	146,978
Executive Management							
Personal Services ^a	4.5	200,059	208,963	217,322	226,014	235,055	
Materials & Services		31,830	98,900	100,700	102,700	105,000	
Capital Outlay		0	5,000	3,000	0	0	
Subtotal		231,889	312,863	321,022	328,714	340,055	325,664
Transfers and Contingency							
Transfer to Building Fund		-	120,680	51,724	59,313	54,225	
Transfer to Support Services Fund		-	210,474	217,837	226,258	235,041	
Transfer to IRC Fund ^c		-	60,020	52,796	55,370	57,292	
Contingency		-	75,000	75,000	75,000	75,000	
Subtotal		-	466,174	397,357	415,941	421,558	425,257
TOTAL EXPENDITURES	6.5		918,888	862,297	893,413	916,997	897,899

- ^a Includes all current positions except General Counsel which is included in the Support Service Fund (see Table 2).
- ^b Assumes a 3 percent COLA for wages and salaries. Transfers and contingencies not shown because of change from a four fund to a five fund system.
- ^c Projected amount necessary to cover the costs for urban growth management and land use coordination services (state mandated functions). Total costs for these functions are budgeted in the IRC Fund (other projected revenue budgeted in IRC Fund for UGB/Land Use Coordination includes UGB fees and LCDC grants).

TABLE IV
PROPOSED SUPPORT SERVICE FUND EXPENDITURE PROJECTIONS
1986-87 TO 1989-90

Department or Division	FTE	Current Budgeted General Fund 1985-86 ^b	Proposed Support Services Fund				Four Year Average	
			Projected Expenditures					
			1986-87	1987-88	1988-89	1989-90		
Executive Management								
Personal Services ^a	1.0	61,322	65,498	68,118	70,843	73,677		
Materials & Services		4,415	4,635	4,867	5,110	5,365		
Capital Outlay		0	1,000	0	0	0		
Subtotal		65,737	71,133	72,985	75,953	79,042	74,778	
Finance & Administration:								
Accounting								
Personal Services	7.17	229,815	245,463	255,282	265,493	276,113		
Materials & Services		30,503	32,075	33,679	35,363	37,131		
Capital Outlay		0	3,000	0	0	0		
Subtotal		260,318	280,538	288,961	300,856	313,244	295,900	
Management Services								
Personal Services	8.42	277,426	296,438	314,047	326,609	339,673		
Materials & Services		270,392	240,000	252,000	264,600	277,830		
Capital Outlay		0	3,000	0	0	0		
Subtotal		547,818	539,438	566,047	591,209	617,503	578,549	
Data Processing								
Personal Services	2.91	120,088	128,270	133,400	138,736	144,285		
Materials & Services		73,460	115,500	116,675	117,910	119,205		
Capital Outlay		0	2,000	0	0	0		
Subtotal		193,548 ^c	245,770 ^c	250,075 ^c	256,646 ^c	263,490 ^c	253,995	
Public Affairs								
Personal Services	8.10	250,117	267,458	278,156	289,282	300,853		
Materials & Services		44,990	47,200	49,560	52,038	54,640		
Capital Outlay		9,350	4,000	0	0	0		
Subtotal		304,457	318,658	327,716	341,320	355,493	335,797	
Contingency								
Subtotal			45,000	50,000	50,000	50,000	48,750	
TOTAL SUPPORT SERVICES FUND			27.6	1,500,537	1,555,784	1,615,984	1,678,772	1,587,769
TOTAL ALLOCABLE COSTS (see Footnote c)				1,459,162	1,512,754	1,571,234	1,632,232	1,543,845

^aIncludes the General Counsel position providing legal services to the organization.

^bAssumes a 3 percent COLA for wages and salaries. Contingency not shown because of a change from a four-fund to five-fund system.

^cIncludes direct costs primarily charged to grants in IRC for Pixel computer operating costs. The following estimated amounts are not included as allocable costs in the annual cost allocation plan (See Exhibit C for 1986-87 estimated allocation plan): 1985-86 - \$39,033; 1986-87 - \$41,375; 1987-88 - \$43,030; 1988-89 - \$44,750; and 1989-90 - \$46,540.

DC/srs
3859C/406-3
08/06/85

August 28, 1985
 Tax Advisory Group
 Page 2

R. Cease - Don't put gen'l. gov't. tax base up unless you have:
 1) good idea of what you'd do (agenda)
 2) good shot at winning.

Kramer - A good solid waste reduction plan could be the victory which we need to set favorable public attitudes;

Bloom - A Metro "agenda" for new service areas, or new problems to be resolved would be important.

Stacey - Metro should solve a new problem, play a major role in a convention center.

Scanlon - Performing Arts Center should have been done by Metro, but Metro was so weak that we knew it would be more successful using another mechanism.

Kramer - There is no connection, in the public eye, between the zoo and Metro.

Armstrong - Metro's done a great job coordinating federal fund distribution, but nobody knows; Scanlon agrees.

R. Cease - Go for zoo only tax base because the public doesn't like giving tax bases and they won't support a gen'l. gov't. tax base. We'd only get 30% of the vote, which would be disastrous.

Schroeder - Go for zoo only tax base.

Scanlon - Go for zoo operating base only and use serial levies for subsequent capital projects. Also, help people make the connection between Metro and the zoo, rename it "Metropolitan Zoo"

There was discussion and broad general agreement that we should go for a zoo only tax base.

R. Cease - May '86 will be bad time to go for anything; go for a zoo levy in '87. Because: (1) public mood is awful; (2) glut of other jurisdictions asking for money.

Foster - play off of your success at the zoo.

Barney - Public will only support those services which they perceive as legitimate, e.g., our solid waste role; our coordination services aren't "legitimate" in the public eye.

Vobiril - Time helps people forget past mistakes, e.g. accounting problems, delay going for anything as long as you can.

J. Cease - We need to be more aggressive in developing a real regional gov't. We can't sell solid waste, except maybe recycling. the zoo is saleable. We need to find some more positive roles/functions to perform. We should find something the public wants done and do it.

Barney - Our coordination work is great and it's not threatening. Once we have a structure(bldg.) we may be a threat because:

- 1) We may be incapable of operating a facility;
- 2) We may be threatening to other vested interests.

Scanlon - Metro lacks boldness. General discussion resulted in agreement with that statement. "general gov't." is a "scary" term implying a dramatic growth in administration, if we go for "general gov't. funding, we should develop a euphemism.

August 28

Tax Advisory Group

A-11

Attendance:

Rep. Ron Cease, Sen. Jane Cease; Bud Kramer; Don McClane; Jackie Bloom
Joe Voboril; Bob Scanlon; Dick Armstrong; Blanche Schroeder; Bernie
Foster; Bob Stacey; Don Barney.

Metro representatives present: Councilor Marge Kafoury; Don Carlson;
Ray Barker; Vickie Rucker; Phillip Fell

Kafoury explains need for tax-base:

- 1) no permanent funding source for zoo;
- 2) general Metro gov't. has no funding source. i.e., Council & Executive
Management expenses; legislatively mandated expenses.

Kafoury explained transfers as source of general fund. She reviewed our
legislative efforts: excise tax; cigarette tax; dues extension.

Questions today are:

- 1) Should we go for a tax base?
- 2) What should be in it?
 - zoo; operating and/or capital expenses;
 - general gov't.?

Don Carlson reviewed outline covering our funding sources and needs.

J. Cease - If Multnomah County is dropping their residential assessed values,
we should keep abreast of their changes to determine what the cost/thousand
will be.

Kramer - If general gov't. tax base fails, would you continue transfers
to fund general gov't?

Some discussion of need to go for a tax base in view of general legislative
direction.

Kramer - Don't go for a tax base unless you have hope of getting it. General
gov't. funding won't pass, we're better off continuing to limp along
than losing a public referendum.

Stacey - Metro can't do anything but limp along without more money, we
should go for a tax base.

Barney - Put two tax bases on ballot, one for zoo, one for gen'l. gov't.
For a gen't. gov't. tax base, we'll need an agenda which convinces people
that they should vote for it.

McClave - Not enough public understanding to give you a good shot at a
tax base.

Armstrong - It's important that people understand that your general gov't.
responsibilities wouldn't go away if you don't get a gen'l. gov't. tax base.

(see other side)

September 17, 1985
Tax Advisory Group; Jim Gardner

Attending: LeAnn MacColl, League of Women Voters; George Lee, City of Portland; Ernie Munch, architect; Clyde Doctor, PP&L; Jerri Doctor, Beaverton Chamber of Commerce; Paul Fellner, CPA & member of City Club's Metro Committee; Craig Crispin, attorney & member of City Club's Metro Committee.

Staff Attending: Don Carlson; Ray Barker; Vickie Rocker; Phillip Fell

Discussion began on the options of seeking a combined base in May and going for a zoo only levy in November. Munch suggested that we consider folding in local dues. Paul Fellner observed that nobody knows that they're paying the 50¢ now, so we shouldn't bring it up.

As discussion continued, consensus developed around the idea of seeking a combined base in May '86, a zoo only base in November '86; a zoo only serial levy in May '87 if our financial capability permitted a special election. If not, a zoo serial levy should be sought in November '86.

September 18, 1985

Tax Advisory Group; Dick Waker/Bob Oleson

Attending: Larry Preuss, CPO 1; George Riemer, Oregon Bar; John Tyner, attorney; Greg Hathaway, attorney; Jerry Arnold, PGE; Kimbal Ferris, attorney; Peter Gray, Orbanco; Andy Jordan, attorney.

Staff Attending: Don Carlson; Ray Barker; Vickie Rocker; Phillip Fell.

Hathaway drew the analogy between sherrif/counties and zoo/Metro

Preuss pointed out that if the zoo gets its own tax base and general Metro doesn't get a tax base, general Metro will never again be able to fold in the zoo to a general government tax base or serial levy. His recommendation was that we not try for a separate tax base although a separate serial levy would be okay.

There was general consensus that we should go for a combined base in May and a combined levy in November. During the May campaign, it should be made clear that there will not be a separation of the issues in November and zoo supporters do not have the option of waiting until November to vote.

September 10, 1985

Tax Advisory Group: Kirkpatrick

Tualatin Chamber of Commerce; 16 members attending, including: Mayor Luanne Thielke; City Manager Steve Rhodes.

Staff Attending: Barker; Carlson; Fell

Because of the formal nature of the meeting, it was difficult to discern a particular consensus. Several individuals expressed the feeling that a zoo-only measure would have the greatest likelihood of success; there was no clarification of whether that should be a serial levy or tax base.

Rhodes observed that he would like to see Metro include money in a tax request to offset the local dues. This would free up a portion of the city's levying authority for provision of city services.

September 12, 1985

Tax Advisory Group; Bob Oleson/Richard Waker

Attending: Eileen Bedard, Mark Dement, Pam Hulse, Jeanette Lanner, Homer Speer

Staff Attending: Ray Barker, Don Carlson

Consensus of this group appeared to be as follows:

- o While the "tax climate" is bad, go for a combined Zoo/General Government measure in May. Reasons included: 1) the Zoo is a positive function so General Government should be tied to it for success; 2) would be following mandate of legislature, thus be able to return to next session to discuss additional taxing authority; and 3) a combined measure if not successful would not do harm to Zoo in the long run.
- o If a measure is put on ballot, make a strong effort to pass it. Councilors need to be active in support of the measure.

October 14, 1985

Council TAG Meeting: Kirkpatrick

Attendance: Public Affairs Committee, Tigard Chamber of Commerce:
Floyd Bergmann, Juanita Calay, Art Verhaven, Patrick Curran,
Irv Larsen, Mike Scott and Dr. Charles Samuel.

Metro Staff: Don Carlson, Ray Barker, Phil Fell and Vickie Rocker

There was general agreement that Metro is more than the Zoo, therefore, we should keep the issues together and go for a combined serial levy or tax base. A serial levy would have a much better chance of passing than a tax base.

The group felt that Metro could never pass a separate measure for the general fund.

Metro needs to be prepared to answer why the issues (Zoo and general fund) are being combined.

October 17, 1985

Council TAG Meeting: Bonner

Metro Representatives: Councilor Bonner; Gustafson; Fell

Attendance: Ron Amato; Dave Kish; Dave Fredrickson; Bob Stacey;
Mel Replogle; George Lee; Alyce Dingler

There was general agreement that there should be a combined tax base or serial levy. Only Replogle and Dingler felt a zoo-only measure should be placed on the ballot.

Everybody agreed that there should be polling done to assess the chances of a ballot measure, but only if the polls predicted humiliating defeat should a measure not be put before the voters.

There was also consensus that there should be a thoughtful campaign effort directed toward raising the region's awareness of what Metro does.

George Lee suggested that we seek the assistance of local gov'ts. to encourage their constituents to support our measure and to explain how important we are to their effectiveness in addressing local problems.

Stacey observed that a campaign which doesn't emphasize education could hurt us if we lose.

September 25, 1985

Tax Advisory Group, Waker / Oleson

A-15

Attending: Jim Cates; Dale Kresge; Jack Madocks, Floating Point Systems; Jack Orchard, attorney; Doug McCaslin, Tualatin Valley Economic Development Commission; Chuck MacClellan, Tektronix; Jack Shook; Tim Erwert, City of Hillsboro.

Staff Attending: Don Carlson; Vickie Rocker; Phillip Fell.

Madocks, seeking a combined levy or base may be successful but we may face long-term resentment for tying ourselves to the zoo.

Shook / Erwert, It's not unfair or dishonest in any way to combine them, we should do so.

Jack Orchard, State and local officials should be our strongest advocates; we should seek resolutions of support from them before we begin our campaign. We should also do some polling so that we know what's out there.

Madocks, the excise tax was the best idea. Get legislators to back off their tax base demand.

Erwert; the multi-fund approach is the best approach if it gets our constituent groups to calm down about the transfers.

The only apparent consensus which developed during the meeting was that it would probably be easier to get a serial levy than a tax base.

Tax Advisory Group, Jim Gardner
September 25, 1985

Attending: Bud Kramer; Les Stevens; John Frewing; Lynn Dingler.

Staff Attending: Don Carlson; Phillip Fell

Kramer suggested that we could obtain either a levy or base for the zoo but that our best bet is to discuss our funding situation with Goldschmidt and Paulus and return to the Legislature in '87. There was general agreement that this would be the best approach.

If, after our meetings with community leaders and legislators are finished, we feel that we have to put something on the ballot, there was consensus that we should seek a combined levy.

The negative side of seeking a ballot measure was projected to be a loss of support from core groups of supporters who may tire of being "beaten up"; as well as onemore public defeat which contributes to the impression of "Metro as loser".

Dingler suggested that if we mount a campaign it should have simple theme such as "we saved you money"

October 24, 1985

A-17

Council TAG Meeting: Kelley

Attending: Beth Blunt, Lila Leathers, Paul Thalsofer, Peggy Fowler, Joanne Connall, Don Stamm, Marilyn Johnson, Ted Marx, Glyis Benson, Paul Clark, Dr. Floyd Geller, Ken Bunker, Bob Luce, Keith Robbins, Jim Worthington, Ray Brasfield and Marjorie Schmuck.

Metro Staff: Don Carlson and Ray Barker

There was general agreement that Metro should go back to Salem for an excise tax if a tax measure (levy or tax base) is defeated.

The people must know exactly what they will be receiving if they are ever to approve a general fund tax measure.

The Legislature is passing the buck in asking Metro to go to the voters.

The majority of the group felt there should be a combined tax base or serial levy but some felt they should not be combined and that Metro should convince the voters that a general fund serial levy or tax base is necessary.

Part of the reason Metro does not enjoy the best image is that it often gets the "dirty" jobs in the region.

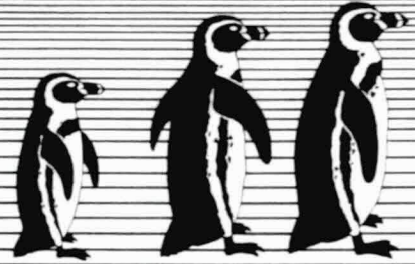


EXHIBIT B-1

November 7, 1985

Metro Council
Metropolitan Service District
527 S.W. Hall Street
Portland, Oregon 97201

Dear Councilors:

Pursuant to the request of Rick Gustafson, the Board of Directors of the Friends of the Washington Park Zoo (Friends) has developed a recommendation to the Council with respect to the revenue measure to be placed on the May, 1986 Primary election ballot. To make a recommendation, the Board appointed a tax advisory committee of seven Board members. The committee met on three occasions with Don Carlson, Corky Kirkpatrick, Tom DeJardin, and Metro staff members, including Gene Leo.

The Metro/Friends committee meetings were held to provide background information and Metro assistance to the Friends committee. At these meetings, the committee reviewed the available types of tax levies, the status of revenue sources for the Zoo and other Metro programs, the existing and proposed operating fund system of Metro, the financial policies adopted by Metro, and the request of Oregon legislators to obtain a response of the public with respect to financing the general government services required to operate Metro. In addition, the history of Zoo revenue measures, a matrix of possible Zoo/Metro tax measures, and other anticipated 1986 revenue measures in the Portland metropolitan area were analysed. This information, as well as the long-term objectives of the Zoo, was considered by the committee in formulating the Friends recommendation.

The Board of the Friends recommends that the following measures be placed on the May, 1986 Primary ballot:

- (1) A tax base levy for Zoo operations; and
- (2) A three-year serial levy for general government services.

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The Board believes that these two measures will best serve the long-term needs of the Zoo while providing Metro with the public response requested by the Oregon legislators. The measure will satisfy the operations requirements of the Zoo; tax base capital funding will be addressed at a future date.

The Board proposed that a tax base measure for Zoo operations be placed on the May, 1986 ballot for several reasons. First, financial security for Zoo operations would be assured by the establishment of a tax base. Second, the present serial levy for Zoo operations expires on June 30, 1987. Unless a special election (at significant additional expense to the Zoo) were held, the only remaining general elections prior to the serial levy expiration are the May, 1986 primary election and the November, 1986 election. Finally, as tax base levies are more difficult to pass than serial levies, the timing of a tax base proposal is crucial. It is our understanding that a property tax limitation measure is being proposed for placement on the November, 1986 ballot. It would be difficult to generate public support for a tax base measure during a campaign to limit property taxes. Therefore, unless a tax base measure is placed on the May, 1986 ballot, the chance of successfully seeking a tax base for Zoo operations would be delayed until the next primary election (in 1988). Therefore, the most opportune time to seek a tax base levy for Zoo operations is during the May, 1986 primary election.

The Zoo and general government service measures should be placed separately on the ballot. The separation of the measures will increase the chance of passing the Zoo tax base levy. In addition, by segregating the general government service measure, Metro can provide the Oregon legislature with the voter response that was requested; a response that cannot be challenged as "coat-tailed."

A combined Zoo/general government serial levy is not the solution for either Metro or the Zoo. The Zoo needs a tax base levy to assure its continued operation. The May, 1986 election provides a strategic opportunity to obtain this goal. Metro needs financial security for its general government function; a three-year levy will not produce the long-term secure source of funding sought by Metro.

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The Board of the Friends of the Washington Park Zoo appreciates having this opportunity to present its opinion with respect to the May, 1986 ballot measures. We thank the Council for considering our recommendation.

Respectfully submitted,

Friends of the Washington Park Zoo
Board of Directors

By Rhonda W Kennedy
Rhonda W. Kennedy, Director

RWKna219

October 15, 1985

Councilor/Legislator Tax Advisory Group: Kirkpatrick

Attending: Senators Joyce Cohen; Jim Simmons
Staff: Phillip Fell

Senator Simmons prefers a tax base to a serial levy based on operational stability. He appreciates the greater difficulty in obtaining passage of a tax base and as no opinion on which, if either, we should choose to put before the voters. He sees no negative impacts on the zoo if we should offer a combined levy or base. He would not personally respond negatively if Metro did not seek voter-authorized general government funding.

Senator Cohen thinks that the negative political environment, coupled with the substantial number of other revenue measures anticipated for the May '86 ballot bode ill for passage of either a general government tax base or serial levy. She personally doesn't care if we seek voter-authorized general government funding or not. She sees no likely negative impact on the zoo from any kind of combined effort.

October 17, 1985

Councilor/Legislator TAG: Kirkpatrick

Legislators attending: Paul Phillips; Randy Miller

Metro personnel attending: Kirkpatrick; Fell

Paul thinks that something must go on the ballot, be it serial levy or tax base. He thinks we'd be wise to tie ourselves to the zoo in a combined vote.

He thinks that we'd have more to lose in Salem if we don't put anything on the ballot than if we suffer a major defeat.

Randy thinks that we should probably have something on the ballot. In contrast to Paul, he thinks that a major defeat may cost us some votes on our issues.

C-2

October 21, 1985

Council / Legislator Tax Advisory Group: Waker / Oleson

Legislators attending: Ryles; Young; Delna Jones; Calouri

Metro Councilors attending: Oleson; Waker

Metro staff attending: Fell

There was extensive discussion of both our service provision mix and our funding situation. Senator Ryles summarized the significant factors affecting our funding choices as: The Legislature doesn't want to be responsible for our funding; despite legislation passed in the last session, people will fear that giving us a tax base will allow us to perform virtually any service we wish; we must put something on the ballot; our constituency is really the public and we must begin to reach them.

There was consensus, strongly felt, that we should not separate zoo and general gov't. financing either on the ballot or in our accounting procedures. There was also consensus that a levy would be a better alternative than a base. There was substantial discussion centering around Ryles' statement that the "sales tax was government as is, funded differently, and the people want something different." There was a feeling that we needed to add something to the package to make voting for it more attractive to the voters. Suggestions included asking for funding to allow us to absorb the boundary commission. There was also substantial discussion of our relationship with Tri-Met with Young suggesting that we place a separate levy on the ballot to obtain funds to identify necessary actions required to absorb Tri-Met.

Finally, there was a strong feeling that the local gov't. officials who support us must be involved in our campaign.

October 22, 1985

Council / Legislative Tax Advisory Groups: Kelley / Cooper

C-3

Legislators attending: Otto; Frank Roberts; McCarty; Minnis; Kotulski; Lonnie Roberts

Metro Councilor attending: Sharron Kelley

Metro Staff attending: Carlson; Fell

Conversation was wide-ranging, covering a number of issues. There was apparent consensus that we have performed far better than the public perception recognizes. This implies a need for a more aggressive public relations program. The legislators recognized that this would be a multi-year process but felt that it should be initiated and maintained.

There was extensive discussion of our need to place an issue before the voters. It was agreed that we need to place general government funding on the ballot to fulfill our obligation to the Legislature and to eliminate an excuse for legislators not to support us in the 1987 session. It was generally agreed that there should be two tax base measures: zoo-only in May; general gov't.-only in November. The reasons for separating the two issues and offering a tax base rather than a serial levy appear to be: a feeling that the Legislature needs to see a base on the ballot to eliminate an excuse for not being supportive (Kotulski); a feeling that we are likely to be able to pass a zoo-only tax base (consensus); a philosophical feeling that it is less than ethical to ride on the zoo's coattails (Frank Roberts); a feeling that a victory in the May election would establish momentum for a November election (consensus).

The legislators didn't think that it was particularly likely that we'd win a general gov't. base, but that it wasn't impossible. They did feel that it provided an excellent opportunity to begin marketing Metro's non-zoo services and our expertise in providing them.

October 28, 1985

Councilor / Legislator Tax Advisory Group: DeJardin; Van Bergen

Legislators attending: Brown; McTeague; Shiprack; Lindquist; Hooley

Metro representatives: DeJardin; Van Bergen; Fell

There was complete consensus that Metro needs to put some form of general government financing before the voters. There was less consensus on the form. There was some concern expressed that it would be ethically questionable to hitch ourselves to the zoo (Shiprack; Lindquist). Hooley, Brown and McTeague felt we had no chance if we did not offer a combined alternative. Brown felt that the combined alternative should be a tax base so that we don't have the same fight three years from now. McTeague and Hooley felt a levy would make more sense. Hooley expressed interest in seeing an excise tax measure on the ballot.

C-4

October 29, 1985

Council/Legislator TAG: Bonner; Gardner

Legislators Attending: Springer; Bauman; Monroe; Gold

Councilors Attending: Bonner; Gardner

Metro Staff: Carlson

There was general agreement that Metro should put a general government funding measure on the ballot. Monroe favored a serial levy; Springer favored a tax base and Bauman felt we should seek whichever measure we felt we had a shot at winning. It was finally agreed that a serial levy would be the most appropriate measure. Gold arrived late, missing this part of the discussion.

Further discussion followed in which it was agreed that general government and the zoo should be presented in combined form. It was also felt that May would be a good time to put the combined levy on the ballot because of the possibility of a tax limitation measure on the November ballot.

11/4/85

Council / Legislator Tax Advisory Group: Myers

Legislators Attending: Katz; Jane Cease; Banzer

Metro Attendance: Hardy Myers; Phillip Fell

There was general agreement that Metro needed to mount a credible campaign intended to win the ballot measure, if we are to fulfill legislative expectation. In that vein, it wouldn't be appropriate to run out a general government measure on its own, because it would have little chance of passing. Whether a combined measure takes the form of a tax base or a serial levy didn't seem to matter greatly to the legislators present.

Katz suggested that we ask major regional business leaders to sit on the campaign committee.

Councilor/Legislator TAG: Downstate Legislators

Legislators: Rep. Kopetski; Rep. Eachus; Sen. Houck; Rep. Parkinson

Metro Staff: Fell

Kopetski - Mike feels that we have a responsibility to put some form of general government funding on the ballot. He feels that we should try for a measure which we can win and suggested that we would probably do better in a combined effort with the zoo; either a base or levy is fine with him.

Eachus - Ron feels that some legislators will be dissatisfied if we don't put a base on the ballot. He personally feels that a levy in conjunction with zoo funding has the best chance and such a measure will fulfill our obligation as far as he's concerned. He also suggested that the bulk of the Legislature just wants to see something on the ballot and don't care what it is. He doesn't feel that a ballot measure will substantially improve our position with legislators, although it may prevent it from worsening.

Houck - Cub thinks that we must put a general government measure on the ballot if we hope to deal with the next Legislature. He doesn't know if we'd do better with a base or a levy, but he's sure we'd do better combining general government and the zoo. He warns that legislators are becoming increasingly skittish about providing funding which the people haven't voted on, (although he acknowledges that they fund state programs without votes....).

Parkinson - Fred feels that we are obligated to seek a tax base and anything less will not satisfy him. He is not concerned whether the base is combined with the zoo or straight general government.

November 7, 1985

Council/Legislative Tax Advisory Group: Bonner/Gardner

Legislators present: Mason

Councilors present: Bonner; Gardner; Oleson

Staff: Fell

Tom thinks that we do have a commitment to put something on the ballot and that we would be better off to do a combined measure. He emphasized that it was important that we win whatever we put on the ballot; that implies a levy.

There was discussion on the relationship between the size of the general government levy and the amount of opposition generated by a \$900,000 request vs. a \$300,000 request. Tom's feeling was that the opposition to a ballot measure will be the traditional Metro opposition and that reducing the tax levy request from \$900,000 to \$300,000 will have little impact on the final vote.

C-6

November 18, 1985

Councilor/Legislator TAG: Waker/Oleson

Legislator Attending: Hamby

Councilor Attending: Waker

Metro Staff: Fell

Jeannette feels that we should put something on the ballot. She favors a combined levy with the zoo because the zoo is our "winning" issue and taxpayers support levies more easily than bases.

four industry members to represent landfill operators, commercial collectors, residential collectors and recyclers. The only reappointment recommended was Gary Newbore who represented landfill operators.

Motion: Councilor Kirkpatrick moved the Resolution be adopted and Councilor Kafoury seconded the motion.

Vote: A vote on the motion resulted in:

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

Absent: Councilor Bonner

The motion carried and Resolution No. 86-613 was adopted.

9.3 Consideration of Resolution No. 86-617, for the Purpose of Selecting a Tax Measure Option and Adopting Related Financial Policies

Presiding Officer Waker explained Councilor Kirkpatrick had been appointed by the former Presiding Officer to chair a committee to recommend a Metro tax measure proposal for the May election. He then requested she present her report to the Council.

Councilor Kirkpatrick reported that in order to make a recommendation regarding Metro's long-range financing, the Committee reviewed summaries of meetings regarding long-range finance issues held earlier in the year with over 100 local government officials, state legislators and other individuals. She also polled Councilors and staff regarding their preferences on the issue. She then met with the Friends of the Zoo (FOZ) Board. As a result of the FOZ meeting, she requested the Council consider an amendment to delete the seventh "WHEREAS" clause of the Resolution. Councilor Kirkpatrick reported the FOZ Board requested the Council delete this clause until they had an opportunity to see the actual ballot title and related ordinance. FOZ would then meet on February 3 to discuss their recommendation further. The Clerk distributed amended versions of Resolution No. 86-617 as proposed by Councilor Kirkpatrick.

Motion: Councilor Kirkpatrick moved to adopt the revised version of Resolution No. 86-617 which she said discussed the philosophy for Metro's May tax effort. Councilor Kafoury seconded the motion.

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Executive Officer Gustafson strongly supported the passage of the Resolution. He noted the great amount of time and effort expended by Councilors to develop a process for soliciting input regarding course Metro should take, the process of informal meetings with public officials and citizens, and the public hearing last November. He thought the resolution now before the Council accurately reflected the general feelings of all parties from which input was solicited and provided the opportunity for stable financing.

Presiding Officer Waker reported he and Councilor Oleson had conducted a number of meetings and heard a variety of suggestions on long-term financing. He said the issue before the Council was difficult because both the Zoo and the Metro government required a stable financial base. He said he supported the Resolution.

Councilor Oleson said, based on the meetings he attended, he got the strong sense that a combined levy would be the most politically realistic option and questioned why a tax base measure was being recommended.

Councilor Kirkpatrick responded a three-year serial levy would not establish long-range financial stability for Metro. She said it seemed apparent there was enough support to go for the philosophically correct option of a tax base on the first ballot. In answer to Councilor Oleson's question, she said she did not think a second ballot would be required if everyone was united and worked hard for the tax base passage. Homeowners would see an actual drop in their tax bill based on this proposal, she explained.

Councilor Oleson again stated the clear direction he got from those attending tax advisory group meetings was that "a half loaf was better than no loaf" but he also understood what Councilor Kirkpatrick was saying. Presiding Officer Waker added that the Council had received clear direction from the Governor to seek a tax base.

Councilor Kafoury reported there were conflicting opinions in her advisory group meetings, but she balanced those opinions with the strong statement made by a number of respected people at her meetings that it was time for Metro to move forward and take bold action in a legitimate and deliberate way. She said Metro had performed a very credible job in operating the Zoo for the last several years, an accomplishment for which Metro could take full credit. She said she no longer agreed with the criticism Metro was piggybacking onto a popular effort to the Zoo's detriment and Metro's credit. She thought many people in the community were now looking for Metro to demonstrate some strong action.

Councilor Kelley said she had also served on the tax measure committee and had listened to all the issues. Those attending the advisory group meetings she had sponsored did not support piggybacking with the Zoo because it would be considered devisive. The group participants advised spending time to inform the public about financing issues and to bring a measure before the voters in November. Councilor Kelley explained many people in her district were concerned about tax increases that would result from a tax base measure and from probable annexation. Until Metro could justify an increase in the cost of regional government services, Councilor Kelley said she, other elected officials from her district and her constituents, could not support a tax base measure.

Councilor Oleson said a tax base measure would not result in a tax increase, but the key issue for him was whether the Friends of the Zoo would actively support the proposal. Councilor Kirkpatrick responded that when the Friends met two nights ago, they did not take action to support the Resolution. She said it was her sense there would be good support from FOZ. She explained it would be difficult to state on FOZ's behalf that the Board would support the measure, but she said she knew of Board members who, as individuals, would lend strong support to the tax base. She said some Board members had already asked if they could serve on the campaign steering committee.

In response to Councilor Oleson's request for the Zoo Director's comments on this issue, Gene Leo said Councilor Kirkpatrick had accurately reported the sense of the FOZ meeting. More would be known on a FOZ position after their February 3 Board meeting, he explained.

Councilor Kirkpatrick spoke to Councilor Oleson's concern by saying Metro could not gain voter approval for a tax base measure unless all parties - Councilors, FOZ, Zoo and downtown Metro staff - were united on the issue.

Councilor Gardner said Councilor Kirkpatrick's comments illustrated Metro's largest task if the tax base were to pass: getting the message out and making it very clear to the voters that the tax base actually represented a decrease in the current level of Zoo taxes.

Councilor Kelley advised spending time to clarify funding issues. She questioned whether it was valid to say the base would mean a tax decrease for the Zoo when Metro would have to go back to the voters to gain financing for capital projects. She again asserted a tax base would result in a tax increase and said there was currently no tax for general government services. She advocated continuing the arrangement of charging users for specific services.

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Executive Officer Gustafson explained a tax increase would not result if fees for services, specifically solid waste disposal services, were returned by lowering disposal rates.

Councilor Kelley said she would oppose the Resolution because not enough time had been spent discussing the issues involved.

Councilor Van Bergen said he intended to support the tax base resolution, but was concerned with the attached budget outlined in Exhibit A. He questioned the wisdom of promising the public how the tax base funds would be allocated on a long-term basis when the District's priorities could change.

Councilor Kirkpatrick agreed it would be simpler to administer tax base funds without restrictions, but she said the budget was added in order to gain more support for the tax base.

Presiding Officer Waker opened the public hearing on the Resolution. There being no public testimony, he closed the public hearing.

Vote: A vote on the motion to adopt Resolution No. 86-617 resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Hansen, Kirkpatrick, Kafoury, Oleson, Van Bergen and Waker

Nays: Councilors Kelley and Myers

Absent: Councilor Bonner

The motion carried and Resolution No. 86-617 was adopted.

Councilor Myers said he voted against the Resolution because he had strongly preferred the option of a Zoo tax base.

9.4 Consideration of Resolution No. 86-618, for the Purpose of Establishing a Task Force to Define Problems and Solutions Related to Household Waste Containing Hazardous Materials and Small Quantities of Hazardous Waste Legally Permitted in the Municipal Waste Stream

Dennis O'Neil discussed the history of disposal of hazardous materials and the need for establishing a task force to recommend guidelines for disposal of these materials.

Councilor Hansen said he supported the Resolution and suggested a Metro Councilor be represented on the task force.