

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING THE) RESOLUTION NO. 86-681
FY 1986-87 SUPPLEMENTAL BUDGET AND)
TRANSMITTING THE APPROVED BUDGET) Introduced by the
TO THE TAX SUPERVISING AND CONSER-) Executive Officer
VATION COMMISSION)

WHEREAS, The Council of the Metropolitan Service District convened as Budget Committee has reviewed the Proposed Supplemental Budget and held a public hearing on the proposed Budget on September 11, 1986, and considered overall issues affecting the FY 1985-86 Supplemental Budget; and

WHEREAS, Pursuant to Oregon Budget Law, the Council convened as Budget Committee must approve the FY 1986-87 Supplemental Budget and said approved budget must be transmitted to the Tax Supervising and Conservation Commission (TSCC) for public hearing and review; and

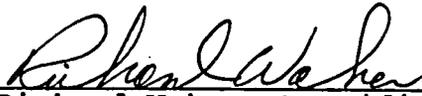
WHEREAS, Certain circumstances exist as described in Exhibit A; now, therefore,

BE IT RESOLVED,

1. That the Proposed FY 1986-87 Supplemental Budget as amended by the Council of the Metropolitan Service District convened as Budget Committee, which is on file at the Metropolitan Service District offices, is hereby approved.

2. That the Executive Officer is hereby directed to submit the Approved FY 1986-87 Supplemental Budget to the Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Council of the Metropolitan Service District this 11th day of September, 1986.


Richard Waker, Presiding Officer

JS/gl
6116C/471-3
09/11/86

EXHIBIT A

The FY 1986-87 Proposed Budget was prepared in January, February and March 1986. It was submitted to the Council Budget Advisory Committee on March 25, 1986. Since the time of the preparation of the budget, the following circumstances exist:

1. Specifically, the Regional Convention, Trade and Spectator Facilities Committee voted on May 12, 1986, to designate Metro as the lead agency on the Convention Center Project. The Metro Council accepted that designation by resolution on May 29, 1986.

"ORS 294.480(a) An occurrence or condition which had not been ascertained at the time of preparation of a budget for the current year which requires a change in financial planning."

2. Specifically, an intergovernmental agreement between Multnomah County and the Metropolitan Service District was made effective June 24, 1986, transferring \$1,216,000 hotel/motel tax receipts to Metro for Convention Center Project work in FY 1986-87.

"ORS 294.480(c) Funds were made available by another unit of federal, state or local government and the availability of such funds could not have been ascertained at the time of the preparation of the budget for the current year."

Presiding Officer Waker announced the second reading of the Ordinance would take place on September 25, 1986.

7. RESOLUTIONS

7.1 Consideration of Resolution Nos. 86-680 and 86-681, Approving a Supplemental Budget, Creating a New Fund (Convention, Trade and Spectator Facility Capital Fund), Amending Resolution No. 86-659 and Authorizing an Interfund Loan (Public Hearing)

Jennifer Sims, Management Services Director, explained when adopted, Resolution No. 86-681 would transmit the Supplemental Budget to the Tax Supervising and Conservation Commission (TSCC). Resolution No. 86-681 would be considered for adoption after it was reviewed and certified by the TSCC. She reported the budget changes had been reviewed before the Council at their meeting of August 28, 1986. Ms. Sims then discussed questions raised by the TSCC about the proposed CTS budget. She referred Councilors to a memo which answered those questions, specifically why that project budget had been developed after the regular, annual budget process. She also revised several minor errors in the budget information attached to Resolution No. 86-680 which staff had subsequently corrected.

Responding to Councilor Frewing's question about the level of Council involvement on the CTS project, Presiding Officer Waker and Executive Officer Gustafson reviewed current Council representation of CTS project committees and task forces.

Presiding Officer Waker opened the public hearing on the Supplemental Budget.

Estle Harlan, 2202 Lake Road, Milwaukie, representing the Oregon Sanitary Service Institute, distributed a memo to Councilors dated September 11, 1986, which explained her specific concerns. She questioned why Solid Waste Operating Fund Contingency monies were being loaned to finance the CTS project. She said the solid waste collection industry did not believe the \$588,719 transfer was appropriate. She also questioned whether the solid waste contingency figure was too high if such a loan could be made.

A discussion followed regarding the amount of the Solid Waste Operating Fund Contingency. Presiding Officer Waker said the unexpected, recent use of the St. Johns Landfill had brought in revenues not previously anticipated. The Executive Officer explained the contingency amount was appropriate and was budgeted to cover unforeseen circumstances.

Councilor Frewing was concerned that CTS budget decisions be made in an open forum. The Executive Officer explained the Metro Council

was the only body which made budget decisions for the project and those decisions included a public hearing process.

Responding to Councilor Van Bergen's question about the appropriateness of the Solid Waste loan to CTS, Eleanore Baxendale, General Counsel, said the loan was lawful and appropriate. Ms. Sims added the staff report had referenced the state statute authorizing that type of loan. The interest rate and repayment schedule were set at the discretion of the Council, she said.

Councilor Kelley said she, along with the collection industry, remained concerned about the amount of the Solid Waste Operating Contingency Fund and staff had not yet satisfactorily explained the size of the contingency fund. Councilor DeJardin agreed and thought the Council's proper role was one of establishing policy for the fund and monitoring policy.

Don Hohnstein, 11505 S.W. Jody Street, Beaverton, testified the Solid Waste Operating Contingency Fund should be limited to \$1 million and the St. Johns disposal fee lowered to \$1.50 per ton in order to reduce the contingency fund. He thought solid waste revenues should be expended only on solid waste matters and urged the Council to table any discussion of CTS financing until after the November 4 election.

Presiding Officer Waker reminded Mr. Hohnstein that Metro did not set out to create a large contingency fund. The St. Johns Landfill became a popular disposal facility because of its low rates, he said. Because of that fact, the Council had to determine a responsible policy for managing the Contingency Fund.

After continued discussion, the Executive Officer and Ms. Sims agreed the loan provision aspect of the proposed Supplemental Budget could be set over to another time.

Motion to Amend: Councilor Gardner moved to amend Resolution No. 86-680 by adding the following language (underlined) to paragraph 4 in the "be in resolved" section: "The loan and interest will be repaid with bond proceeds." Councilor DeJardin seconded the motion.

Vote on Motion to Amend: A vote resulted in:

Ayes: Councilors DeJardin, Frewing, Gardner, Hansen, Kelley, Oleson and Waker

Nay: Councilor Van Bergen

Absent: Councilors Collier, Cooper, Kafoury and Kirkpatrick

The motion carried and Resolution No. 86-680 was amended. The Resolution would be considered for adoption as amended after review and certification by the TSCC.

Councilor Gardner answered Mr. Hohnstein's previous question about why Metro could not wait until after the November 4 election to fund the CTS project. He explained funds were required in advance of the election to proceed with specific work projects and to get as much work accomplished as possible. If the bond measure passed, tax money would not be received to repay the Metro loan until July 1987. If the bond measure failed, the loan would be repaid from hotel/motel tax revenues which would probably not be collected by the Council and turned over to Metro until December 1986, he explained.

Motion: Councilor Frewing moved to adopt Resolution No. 86-681 incorporating staff's recommended amendments. Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Frewing, Gardner, Hansen, Kelley, Oleson and Waker

Nay: Councilor Van Bergen

Absent: Councilors Collier, Cooper, Kafoury and Kirkpatrick

The motion carried and Resolution No. 86-681, for the purpose of transmitting the Supplemental Budget to the TSCC, was adopted.

In conclusion, Executive Officer Gustafson said Councilor Kelley's concerns about the Solid Waste Operating Contingency Fund balance could be addressed when the Council reviewed the annual Solid Waste Rate Review Study.

7.2 Consideration of Resolution No. 86-684, for the Purpose of Setting Fees for Petitions to Amend the Urban Growth Boundary

Jill Hinckley, Land Use Coordinator, reviewed staff's report. She explained the Resolution would delete the cost ceiling on Hearings Officer's charges for major UGB amendments, change the timing for supplemental deposits, and provide for a refund when a petition was withdrawn.

for the primary 8.2 acres. An additional acre was owned by another party and an operating business was on the property. The Council had authorized the Executive Officer to seek condemnation on both parcels, he said, but he had not commenced condemnation proceedings on the smaller parcel. The smaller parcel was not required in order to build the transfer center on that site. The land would help alleviate access issues along 209th Avenue, however. The Executive Officer said he was concerned about a previous decision of the Council not to locate a facility where an operating business was located. Randi Wexler explained two small sheet metal plants were located on the one-acre site.

In response to Councilor Frewing's question, Ms. Wexler said the acre in question or an additional acre needed to be acquired in order to make access to the transfer station agreeable with Washington County. The function of the site would not be affected.

After discussion of the issues, the Council agreed the Executive Officer should proceed with plans for purchasing the small parcel because the existing businesses were small and could be relocated.

Light Rail Transit Opening. Executive Officer Gustafson reported Metro had participated in the opening festivities for MAX and a booth on the proposed convention, trade and spectator facility had been at the Holiday Park Station.

Convention, Trade and Spectator (CTS) Facility. The CTS bond measure campaign would commence September 9 or 10. Legislative briefings on the CTS proposal would occur September 23.

8.4 Consideration of Resolution Nos. 86-680 and 86-681, Approving a Supplemental Budget, Creating a New Fund (Convention, Trade and Spectator Facility Capital Fund), Amending Resolution No. 86-659 and Authorizing an Interfund Loan

Jennifer Sims, Management Services Director, said the Council would not be asked to adopt the Resolutions at this meeting. She then reported on the proposed budget adjustments as outlined in staff's written report.

In response to Councilor Collier's question, Ms. Sims explained how the CTS project would be funded until after the November 4 bond measure election. She said hotel/motel tax revenue could be used to finance certain expenses until the bond measure became effective or until December 31, 1989.

Ms. Sims explained to Councilor Frewing the proposed interfund loan would be needed regardless of bond measure approval. Interest rates

Metro Council
August 28, 1986
Page 22

were about the same as average available rates, she said. She also explained all cost estimates had been carefully prepared and reviewed by CTS staff.

Report on Contract with the Greater Portland Convention & Visitors Association (GPCVA) for Tourism Promotion

Councilor Gardner, Chair of the Council Management Committee, reported the Committee had approved the above named contract at its meeting earlier that evening. The Contract, he said, was approved with the condition the approval be reported to the full Council as was now being done. The Councilor noted that specific legal issues relating to the contract were discussed earlier during the executive session and questioned whether continued discussion was needed.

Presiding Officer Waker noted the Management Committee had approved the contract and the Council's procedures did not provide for overruling their decision.

Councilor Collier explained although she usually did not go against staff's recommendation, she did not support approval of the contract. She thought it better to wait until after the November 4 CTS bond measure election before borrowing money from the CTS fund to support light rail.

Councilor Gardner said there was no question money borrowed from the CTS fund for the contract would not be recovered.

After further discussion of the issue, Presiding Officer Waker noted the Council's available options: 1) take no further action; or 2) remand the matter to the Management Committee for reconsideration after the November 4 election.

Motion: Councilor Collier moved to remand the matter back to the Management Committee for reconsideration after the November 4, 1986, CTS General Obligation Bond election. Councilor Frewing seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Collier, Frewing and Hansen

Nays: Councilors DeJardin, Gardner, Kirkpatrick and Waker

Absent: Councilors Cooper, Kafoury, Kelley, Oleson and Van Bergen

The motion failed.