

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, October 12, 2004
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Rod Monroe, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:01 p.m.

1. REMOVED FROM THE AGENDA

2. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(i) AUTHORIZED TO REVIEW AND EVALUATE THE EMPLOYMENT RELATED PERFORMANCE OF THE CHIEF OPERATING OFFICER

Time Began: 2:02 p.m.

Time Ended: 3:45 p.m.

Others Members Present: Marv Fjordbeck, Alexis Dow

3. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, OCTOBER 14, 2004/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

Council President Bragdon reviewed the October 14, 2004 Council agenda.

4. DISPOSAL SYSTEM ISSUES

Mike Hoglund, Solid Waste and Recycling Director, and Doug Anderson, Solid Waste and Recycling Department, said they would set the stage on the issue of public ownership. What were some of the reasons why government would want to sell the facilities?

Mr. Hoglund said last time they provided a broad look at the disposal system. He summarized the issues. Council would have a set of policy issues. The first issue was service provision and effects on franchising. Major contracts included transfer of waste, transport of waste and disposal. If we owned the station we could determine the risk and the cost. We could make decisions about whether we wanted one operator for each or wanted to bundle that responsibility. He spoke to opportunities. Another was meeting the contract obligation. If we owned the transfer stations we could ensure the tonnage. If we didn't we would have to ensure tonnage to the privately owned facility. He summarized that these were some of the reason to decide if we were going to own the facilities or not. Councilor McLain said we should know what we wanted to achieve with the system and what we were trying to achieve with the Regional Solid Waste Management Plan (RSWMP). The RSWMP was the plan that the public wanted. Councilor Park said one of the biggest pieces was how you valued the transfer stations. How you valued these made a difference in terms in how you looked at the entire system, tonnage flow and the assets of the facility. Mr. Hoglund said they would be getting to this. There were different reasons for owning facilities. He gave an example of the Port of Portland's terminals. Councilor Hosticka suggested telling Council why they would want to sell the facilities versus owning them. Mr. Hoglund summarized

what the disposal system shall do (a copy of these six items is included as an attachment to the meeting packet). Council President Bragdon asked if these items were incomplete? Councilor Newman suggested that access should also be on this list. Mr. Hoglund said this was covered in A and explained further how it was incorporated. Councilor McLain said they wanted it to be an easy to use system. Mr. Hoglund suggested examples under each of the six items. Councilor Burkholder asked about F. He felt this was more a means than a goal. Mr. Anderson said he saw as this as a constraint. Councilor Park said in C, he assumed protecting the stability to the solid waste system was included in this item. Council President Bragdon spoke of the system as a utility, whether it was privately or publicly owned. Councilor Hosticka said he thought one issue was to what extent was the market competitive and would continue to remain so. Given the type of service this was, what happened if there was market failure? You didn't want a situation where waste piled up and there was no way to dispose of it. Councilor McLain said when they have different franchises, some folks get certain services and some don't. There was something in system stability that had to do with consistency. Council President Bragdon spoke to the public interest. Councilor Newman said there was also a dimension of the relationship between the host community and the station. This was part of the consistency and stability issues. If we were looking at privatization there needed to be consistency. Council President Bragdon said they should operate with a certain amount of transparency. Councilor McLain said the question of consistency was how it related to disposal. It was the connectivity to the disposal system. Did they want a seamless system? The RSWMP was a good time to ask our partners what they thought would be good to have a seamless system. Councilor Burkholder asked were we asking the right questions? Mr. Hoglund said they would need to flesh out the objectives and describe these more specifically.

Mr. Hoglund said they wanted to start talking about pros and cons of public and private mixes. He summarized what had been done in the short term. They had heard that today's system worked fairly well. Mr. Anderson spoke to the pros and cons of private and public ownership. The current system was how we achieved the vision of the system. Council raised questions about why we were thinking about privatizing. He laid out the issues of privatization. The discussion had to do with what were they trying to achieve. Once there was agreement on what they were trying to achieve, they then could go forward to determine the best system. Council President Bragdon asked what percentages were private versus public. Mr. Anderson responded that he had seen 60% to 80% in public ownership. He said most systems were a mix of public and private. This was true for Metro too. He detailed some of the literature as to why to privatize. Councilor Hosticka said in some areas that didn't have transfer stations, you took your garbage directly to the dump. Mr. Anderson said this was qualitative in nature. The vast majority of municipalities that were privatizing were looking for savings, efficiency, quality of service, and the agency's asset portfolio. He said generally if we were to sell off the facilities, that money would have to go back into the solid waste system. Councilor Park said the asset would not go away but be converted in a different use. Councilor McLain said this was a big deal. A solid waste asset was only to be worked with in the solid waste system. Mr. Hoglund asked if leasing the asset was restricted. Marv Fjordbeck, Senior Attorney said they were still solid waste fees. Councilor McLain said he was laying out what he considered to be features of this issue. Councilor Park said as long as the money existed and we converted it through the process to parks, the assets still belonged to the public. Councilor McLain said the state law would have to be changed. Councilor Burkholder asked what was the asset that Metro owned and controlled? It was the tonnage. We also granted the tonnage to private sector. Was that an asset that you could auction? How did we achieve these goals in a way of looking at the commodity flow as a good? Was that a way to deliver on these objectives. Was that part of what you sold? Mr. Hoglund said they were looking at that issue. Councilor Burkholder said he thought they should be more expansive in looking at the whole system. Mr. Anderson said they needed to continue to pursue the statement of

objectives. Councilor Hosticka said he didn't see waste reduction and environmental sustainability on the list of objectives. How would you achieve this in a private versus public system? Council President Bragdon asked what the transfer stations were appraised for now. Mr. Anderson said the facilities were valued and then depreciated. Councilor Park said some of these statements were absolutes and some weren't. He suggested a little less black and white. Councilor McLain said whatever was brought back was facts. Councilor Hosticka stated, the more you go to a private system the more you need to regulate.

Mr. Hogle talked about putting on the table the issue of privatization. He talked about draft RSWMP policy language (a copy of these are on page 4, a copy of which is included in the meeting record). Mr. Jordan said if Council knew enough today, tell Solid Waste and Recycling Department not to pursue it any further or if Council felt they didn't know enough, indicate to Solid Waste and Recycling what to work on. Councilor Park said what would help him was to identify what the value of the transfer system was and the methodology for determining this. How would you know if a private entity came to you for purchase, what the best deal would be for the public? Councilor McLain said she would like to know what balance of private versus public the Council wanted. Councilor Hosticka said he felt they needed to give staff some direction. Councilor Newman said he didn't know the answers to these questions as to whether they should privatize or leave it public. Councilor Burkholder said he felt franchises had a big impact on the system without a plan. Councilor Park said if they knew how they valued the stations, it would give you an idea of how the system was changing. Mr. Jordan wondered without investing huge amounts of time if there was a way to explore public and private ownership. Council President Bragdon said he didn't have any idea, which was best. Councilor Park said he wasn't sure that privatization led to more regulation. Mr. Hogle said he had three questions, how much were they worth, how could you use the money, how do you meet the objectives and what were the advantages and disadvantages of not owning a part of the system.

Mr. Hogle said for the RSWMP they would include 1 and 2 and modify 3. The idea was to get feedback from the public.

5. BREAK

6. COOPER MOUNTAIN MASTER PLAN UPDATE

This session was delayed for two weeks.

7. COUNCIL BRIEFINGS AND COMMUNICATIONS

Council President Bragdon suggested talking about Goal 5. Councilor McLain said Metro Policy Advisory Committee (MPAC) was tomorrow. One of the things that bothered her the most was that there were some concepts that weren't being followed through with our Intergovernmental Agreement (IGA). She spoke to the commitment they had made with Washington County. She didn't want it to undermine the work with Washington County. Second, the timeframe was not a 2010 timeframe. It was more a 2012 or 2014 before anything would get done on the ground. Council was looking at assessing in 2010 what was the inventory. They would have to reanalyze the connectivity. Ten years from now business might look very different from now. There was no guarantee that you wouldn't have to redo steps one and two. She talked about good faith with those they had been working with over the past eight years. It was taking away some of the tools from the toolbox.

Councilor Newman said he had two major questions. He thanked Council President Bragdon and Councilor Park for their work on this resolution. If we adopted this framework, we were asking the locals to do a lot. He thought it would be a lot more expensive in the short term. This got to the question of our budget next year. Second, he spoke to timing. We have a five-year timeframe outlined in the resolution. If you were going to measure the performance, local governments would have to come up with a program within about 12 months. You needed a 3-year timeframe to measure outcome. Council President Bragdon said you would need to note where localities were today. As a small jurisdiction, you would probably want a canned program. Councilor Burkholder said how do we measure performance measures against each other. Council President Bragdon summarized some of Councilor Burkholder's comments. Councilor Hosticka said his question had to do with timeframe and what did it mean. What did being in compliance mean? Council President Bragdon said this was the challenge and the process of adaptive management. Councilor Hosticka said he thought they took this long because they wanted a thorough process. He had had a conversation with former Governor Kitzhaber. The governor would be happy to come and talk with Council but couldn't come until November 2nd. He did not think it was a good idea to have this debate in the next few weeks. Councilor McLain said they needed to think about the timing of giving it to MPAC tomorrow. She wasn't sure the timing was right. Councilor Burkholder said he thought it was presented as a dialogue. He would like to have that conversation. Councilor Hosticka expressed concern that the idea of putting something on the ballot had no date. Councilor Park appreciated the comments. They were trying to bring something forward. He spoke to Councilor Hosticka's comment about timing. Councilor Hosticka said he thought it would make a difference as to whether it was 2006 or 2010. Councilor Park said they knew it was a minimum of two years after acknowledgement. Parts of this could start immediately. We were already doing some of it. He thought it was presentation and getting something going. This was a continual series of steps that we could continue to tweak.

Councilor Hosticka asked how they would go forward in the next several weeks. He spoke to how Washington County had been operating. Councilor McLain thanked staff for putting the property owner list together. Mr. Jordan said his issue was that he had a work group and a staff that were trying to get their arms around this. He talked about what they already knew. Their work program was almost identical with or without the resolution. The work group and staff were working on the same elements. They would look at the issue of timing as it related to performance measure based compliance.

Mr. Jordan said they had gotten some preliminary word from the staff about the industrial lands issues. They had been given some preliminary issues from Land Conservation and Development Commission staff where they might disagree.

Councilor Burkholder said this Friday was the second MPO summit in Eugene.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:37 p.m.

Prepared by,

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF OCTOBER 12,
2004**

Item	Topic	Doc Date	Document Description	Doc. Number
3	Agenda	10/14/04	Metro Council Agenda for October 14, 2004	101204c-01
4	Solid Waste System	10/12/04	To: Metro Council From: Doug Anderson and Mike Hogle, Solid Waste and Recycling Department Re: Councilor Values for the Solid Waste System, Draft RSWMP Objectives for the Disposal System, Public vs. Private Models for the Delivery of Disposal Services and Sample Draft RSWMP Policy Language	101204c-02