

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF WRITING) RESOLUTION NO. 96-2376
OFF SOLID WASTE DISPOSAL)
COSTS RELATING TO FLOOD) Introduced by Mike Burton
DAMAGE.) Executive Officer

WHEREAS, severe flooding took place in February 1996, causing significant damage to personal and real property in the region, and

WHEREAS, Metro established special charge accounts with area jurisdictions to accommodate the efficient disposal of regional flood related waste, with 75% of the cost of disposal to be reimbursed by Federal Emergency Management Agency (FEMA), and

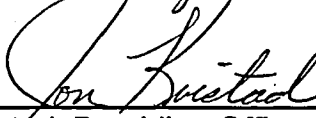
WHEREAS, the remaining 25% of the cost of disposal should be absorbed by Metro in the best interests of the region, and

WHEREAS, Metro Code, Section 5.02.060 (h)/(i) states that adjustments to receivable accounts over \$500 will be reported to the Council, and amounts over \$10,000 will require council approval, and

WHEREAS, accounting principles relate transactions to the fiscal period in which they occurred, with the goal of charging these flood related expenses to Fiscal Year 1995-96.


BE IT RESOLVED, that \$85,000 will be written-off as the 25% portion of flood related expenses.

ADOPTED by Metro Council this 8th day of August, 1996.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 96-2376 FOR THE PURPOSE OF WRITING OFF SOLID WASTE DISPOSAL COSTS RELATING TO FLOOD DAMAGE.

Date: July 17, 1996

Presented by: Jennifer Sims

BACKGROUND

The flooding of February 1996 generated a significant amount of disaster debris in the Metro region. Metro led regional efforts to rid the area of damaged property to minimize health risk hazards and enable the clean-up process to be more efficient. Metro established special disposal charge accounts with various jurisdictions in the region as a means of tracking each jurisdiction's disposal fees, charged at Metro's full disposal rate.

The Federal Emergency Management Agency (FEMA) provides public assistance to public agencies to respond to and recover from disasters. Whereas FEMA provides funding at 75% of actual cost, local jurisdictions would face the burden of funding the remaining 25% of flood disposal costs at a time when their resources are already stretched by the extraordinary expenses of the disaster. It is therefore determined to be in the best interests of the region for Metro to write off the remaining 25% due from local jurisdictions. This remainder has been identified as \$85,000, with some minimal adjustments still occurring.

As required by generally accepted accounting principles, it is appropriate to account for transactions within the accounting period that they occur. Since the flood, and the related disposal of flood damaged property took place in Fiscal Year 1995-96, it is proper to charge the 25% cost (as a reduction of revenue) within that accounting period.

CODE REQUIREMENTS

Metro Code 5.02.060(h)/(i) states that adjustments to receivable accounts over \$500 will be reported to the Council and amounts over \$10,000 will require Council approval. Therefore, in order to adjust the receivable totals for these transactions within the current accounting period, Council approval is required to finalize the write-off.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No 96-2376 for the purpose of recognizing the write off of the region's flood related disposal expenses.