

METROPOLITAN SERVICE DISTRICT
BOARD OF DIRECTOR'S MEETING MINUTES
OF
DECEMBER 11, 1970

ATTENDANCE

Eldon Hout, Chairman
David Eccles
Frank Schumaker
Robert Schumacher
Herbert Hardy, Attorney
Homer C. Chandler, Executive Director

There being a quorum present, the following business was considered:

A. MEETING SCHEDULE

Mr. Schumaker moved that the bylaws be amended to read--Regular meetings of the District Board will start at 1:30 p.m. Mr. Eccles seconded the motion; the motion carried unanimously.

B. SOLID WASTES PROGRAM

Mr. Ken Meng, representing a Technical Committee, presented that Committee's report concerning development of a Solid Wastes Disposal System. They proposed that:

- 1) MSD gain support of DEQ for their solid waste program and jointly request the 1971 Legislature to authorize the use of state pollution bonds in sufficient amount to accomplish the objective.
- 2) MSD immediately embark on a coordination and implementation program--an action program.
- 3) MSD commence immediate negotiations with the City of Portland and owners of other acceptable sites for the initial program.

- 4) MSD establish standards for the operation of solid waste disposal sites within its boundaries for the protection of the public health and welfare.
- 5) MSD establish a standing technical advisory committee composed of participating agency staff members engaged in the field of solid waste.

Mr. Schumaker moved that the Board accept the committee report and adopt the recommendations. Mr. Eccles seconded; motion carried.

Mr. Eccles moved that the Chairman

- 1) Appoint a standing technical committee consisting of city and county technicians.
- 2) Appoint a committee to enter into negotiations with the City of Portland for the use of the City's disposal site.

Mr. Schumacher seconded; motion carried unanimously.

C. NEW BUSINESS

1. Transit

Mr. Irwin Adams presented a paper requesting that the District take over all public transportation systems immediately. (See attachment.)

Mr. Eccles and Mr. Schumacher replied that the MSD Board has asked their attorney for advice on this subject so that any action the Board may take will be done in such a manner that it will not prevent MSD from carrying out its duties in other services such as solid wastes.

2. Johnson Creek

Mr. Chandler requested the Board to authorize the Chairman to sign the agreement with the U. S. Army Corps of Engineers who will then have the authority needed to update the Johnson Creek Drainage System. Mr. Schumaker moved the recommendation; Mr. Schumacher seconded; motion carried unanimously.

There being no further business, the meeting adjourned at 2:30 p.m.

Remarks before the Governing Body of the Metropolitan Service District on Friday, December 11, 1970 in the City Water Bureau Conference Room, 1800 S. W. 6th, Portland, Oregon.

Mr. Chairman and Gentlemen of the Metropolitan Service District, I am Irwin S. Adams, General Manager of the North Clackamas County Chamber of Commerce and am here representing that organization. Careful review of the text of Senate Bill 494, which became law by referral to the voters in the Primary Election of May, 1970, makes it abundantly clear that the legislative intent was to provide a single metropolitan body with jurisdiction over and I quote; "Sewerage, solid and liquid waste disposal, control of surface water, and public transportation".

In the event of voter approval, which was duly given, Section 32 of the bill reads as follows and again I quote; "...the governing body of the metropolitan district may at any time order transfer of the transit system of the transit district to the metropolitan service district, whereupon:", and specific instructions follow.

Last Friday at a public hearing of Tri-Met the North Clackamas County Chamber of Commerce made this expression: "...the North Clackamas County Chamber of Commerce strongly urges the Metropolitan Service District, approved by the voters in the May Primary, to exercise its specifically provided option to take over Tri-Met, and that without delay."

After the action of the Tri-Met Board of Directors on December 7, 1970 in reducing the payroll tax to 3/10ths of 1%, the North Clackamas County Chamber of Commerce was asked for an opinion; the reply was as follows:

"The reduction in the payroll tax is a step in the right direction. However, the thrust of the North Clackamas County Chamber of Commerce position regarding Tri-Met has not been against the payroll tax per se, but basically that Tri-Met proposals have been immature and wantonly extravagant. Further, that it is not sound public policy to have an agency that is a law unto itself and not accountable."

The Oregon Journal under the caption "Unfair At Any Rate" on December 9, 1970 had an editorial which read in part:

It's a rare public body these days which cuts its tax rate 40 per cent, as Tri-Met's did Monday when it reduced its levy on employers' payrolls for 1971 to three-tenths of 1 per cent.

But the fact remains that the best one can say for that payroll tax is that it has provided a ready source of subsidy to keep the metropolitan area's transit system in business. The directors of the new public transit system in Eugene-Springfield recognized that virtue when they, too, adopted the payroll tax recently.

However, as Tri-Met has applied it, it is a basically unfair tax which ought to be replaced with a better one. It is in no way related to ability to pay, and it falls even on nonprofit institutions like schools and charities, while under provisions of Oregon law certain financial businesses like banks and insurance companies are exempt from it. Nor is it related to benefits received. Even businesses outside the area Tri-Met presently is serving are being taxed, so long as they are located in the three-county Portland metropolitan area.

We subscribe to the language just quoted.

Certainly no one can successfully contravene the argument that the metropolitan aspects of sewerage, solid and liquid waste disposal, control of surface water, and public transportation, can be better handled by a single agency than by handling one facet separately.

On Page 2 of the Tri-Met budget for the period July 1, 1970 through June 30, 1971, total operating revenues of \$5,044,420 and payroll tax collections of \$8,538,750 are indicated. These items add up to an impressive total of \$13,583,170. Total riders of the buses, including both former Rose City and Blue Bus segments, are expected to approximate 17,000,000. Divide the \$8,538,750 by 17,000,000 (the number of riders) and it results in about 52¢, which means that for every 35¢ in the fare box, 52¢ is provided by the payroll tax. Have you ever heard of a subsidy of 150%? Thus far for the 3 quarters since imposition of the payroll tax, some \$6,549,000 has been collected.

It is our understanding that your body has ^{been} told they will be sued if they exercise the specific option provided in Senate Bill 494. The North

Clackamas County Chamber of Commerce nonetheless urges you to exercise that option without delay. Your doing so will soon determine how much is fact and how much fancy, in the cooperative regional effort of the Oregon Portion of the Portland Standard Metropolitan Area.

Thank you for the opportunity to be heard.

NOTE:

COPIES OF THE MINUTES OF THE PREVIOUS MEETINGS WERE NOT
FINISHED BY THE TIME THE AGENDA WAS READY FOR MAILING.
THE MINUTES WILL BE DELIVERED PRIOR TO THE NEXT MEETING
AND IN AMPLE TIME FOR YOU TO REVIEW THEM.