

MSD BOARD OF DIRECTORS
 MINUTES OF JUNE 25, 1976 MEETING

BOARD MEMBERS IN ATTENDANCE

Ray Miller, Chairman
 Miller Duris, Vice Chairman
 Robert Schumacher
 Charles Becker
 Connie McCready

BOARD MEMBERS NOT IN ATTENDANCE

Mel Gordon
 James Robnett

ADVISORS IN ATTENDANCE

Dean Gisvold, Attorney
 Bob Brown, DEQ
 Warren Iliff, Portland Zoo
 Joe Voboril, Attorney

GUESTS IN ATTENDANCE

List attached

STAFF IN ATTENDANCE

Charles Kemper
 Merle Irvine
 John Hankee
 Cordell Ketterling
 Jean Woodman

**METROPOLITAN SERVICE DISTRICT
 BOARD APPROVAL**

NO. 76-601 DATE 7-9-76
 YES NO ABST.

	YES	NO	ABST.
BECKER			
DURIS	/		
GORDON	/		
MCCREADY	/		
ROBNETT	/		
SCHUMACHER	/		
MILLER, CHAIRMAN	/		

Jean Woodman
 Clerk of the Board

The clerk called the role, and there being a quorum present, the Board considered the following items of business:

76-547 MINUTES

Mayor Duris moved to approve the minutes of June 11, 1976, as submitted. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

76-548 PUBLIC COMMUNICATIONS

Commissioner Miller asked if there was anyone in the audience that wished to address the Board on matters not listed on the meeting agenda. There was no response.

76-549 CASH DISBURSEMENTS

Councilman Becker moved to approve Vouchers No. 476 through 483 for payment in the total amount of \$808.02. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

76-550 EMERGENCY ORDINANCE NO. 40

An ordinance adopting the annual budget of the Metropolitan Service District for the fiscal year beginning July 1, 1976, making appropriations from the funds of the District in accordance with said annual budget; levying of ad valorem taxes; and declaring an emergency.

Commissioner Miller opened the public hearing for consideration of Ordinance No. 40 asking if everyone in the audience had a copy of the ordinance. There was no response.

Motion 76-550.A:

Mayor Duris moved to read Ordinance No. 40 by title only. Commissioner Schumacher seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

The clerk read the ordinance title.

Mr. Irvine reviewed the ordinance indicating the Tax Supervising and Conservation Commission's certification of no objections or recommendations.

There was no Board discussion. Commissioner Miller asked for public testimony, and there was no response.

Motion 76-550.B: Councilman Becker moved to adopt Ordinance No. 40. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

2. Pension Plan

Mr. Joe Voboril, MSD Attorney, addressed the Board, to review his report on the MSD/Zoo merger retirement plans. and his recommendation to discontinue the CRAG retirement plan and merge into the Zoo retirement plan. Mr. Voboril stated that MSD did not qualify for the present CRAG plan which allows for reduced taxable income and the new plan would require taxing of the portion of income designated for retirement. There was some discussion of the employee vested interest in the present CRAG plan and the loss as a benefit. Mr. Voboril stated that CRAG had agreed to refund the MSD employer portion of a 100% match which amounted to \$3,100 less administrative charges. Mr. Irvine stated that as the CRAG retirement plan acted as a benefit for employees and as a compensation for the loss of this benefit the Board might vest the individual plans to the next 12 months of vested interest and pay for this addition from the \$3,100 refund from CRAG.

Motion 76-553.2/A:

Commissioner McCready moved to approve payment of vested interest to the MSD employees on the CRAG retirement plan to the individual 12 month anniversary periods. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote.

Motion No. 76-553.2/B:

Commissioner McCready moved to approve the staff recommendation to discontinue involvement in the CRAG plan and that MSD assume and continue the two Zoo retirement plans (Tax Sheltered Annuity Plan and Defined Benefit Plan). Mayor Duris seconded the motion. The motion carried unanimously by roll call vote.

Mr. Wilson requested inclusion of the present teachers retirement program of immediate 100% vested interest, in the MSD program. He stated that the teachers program was funded by federal grants which allowed a vested interest retirement program. He also stated that staff would make the program available to their research personnel if they qualified and with the Board's approval.

Motion 76-553.2/C: Mayor Duris moved to approve continuance of the teachers retirement program and allow participation by the reasearch personnel. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

76-551 ZOO FUND BUDGET TRANSFER

Mr. Irvine reviewed the proposed budget transfer of \$1,358 from the Zoo Fund Materials and Services to the Zoo Fund Personal Services, providing staff time for Zoo projects during the month of June 1976.

Councilman Becker moved to approve the budget transfer of \$1,358 to Zoo Personal Services. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

76-552 CONTRACT 76-009 - IBM Copier II

Commissioner Schumacher moved to approve Contract No. 76-009. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready was not present.)

76-553 ADMINISTRATIVE DECISION ITEMS - Required prior to July 1, 1976

1. Social Security

The staff report on Social Security membership and benefits stated the error in filing for the MSD staff during the period of November 1974 through June 1976, due to the inclusion of MSD in the CRAG payroll system. In correcting the erroneous filing the staff recommended the following three alternatives: 1) Requesting coverage retroactive to November 1, 1974; 2) Request coverage as of July 1, 1976; or 3) No coverage. Mr. Irvine pointed out that under alternative No. 2, a refund could be requested for both MSD and staff of the monies contributed during that period; however, some liability may be placed on the Board for staff members needing the accumulation time for this period.

Commissioner Schumacher moved to approve alternative No. 2 to make application for social security coverage effective July 1, 1976, and request a refund of monies paid to FICA from November 74 through June 30, 1976. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

3. Health and Welfare (H & W)

Mr. Irvine presented a table of the present MSD health plan, the existing Zoo union and non-union health plans, a proposed plan by Ralph Fullerton Company, and the MSD staff proposed health plan. Staff recommendation is the existing Zoo coverage with the additions of long-term disability and one-times salary life insurance. Mr. Irvine stated that in order for the existing MSD employees to obtain coverage under the Zoo package by July 1, two months premiums would have to be paid by that date. He also noted that the existing MSD employees would not be covered for dental or vision for two months. Commissioner McCready stated concern for providing added benefits under the package until the union negotiations were complete. She felt that settlement of union contracts would be an appropriate time to consider the cost of added long-term disability and extended life coverage. There was some discussion of the increasing cost of benefit packages and the possible solution of reducing benefits in the future.

Commissioner McCready moved to allow the existing six MSD staff members the options under the Zoo benefit package and withhold the additional benefits of long-term disability and extended life coverage for 90 days. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote.

4. Personnel Manual

Tabled.

5. Errors and Omissions (E & O) Insurance, and
6. Property Insurance, and
7. Employee Dishonesty Insurance

The above three items were considered by the Board as one item.

Mr. Irvine reviewed the staff report covering three policies expiring effective July 1, 1976, Public Officials Liability, Property coverage and Employee Dishonesty coverage. All three of the expiring policies had been published for bids with two agencies, Fred S. James and Frank B. Hall responding with quoted bids. Neither of the bidding agencies, however, had firm quotes on the Public Official Liability coverage as yet; and staff recommended that the agent submitting this coverage be awarded the remaining MSD insurance policies within reasonable premium rates. Other expiring Zoo and MSD policies will be brought before the Board at a later appropriate date.

Commissioner McCready moved to approve staff recommendation to accept the best insurance coverage submitted contingent upon the Public Officials Liability or Errors and Omission policy coverage. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

There was some discussion as to the Board's alternatives if Public Officials coverage is not forthcoming and MSD's position in appointing an agent of record for all future policy coverages. No decisions were made.

8. General Insurance

Mr. Kemper stated that the Metropolitan Service District has been added as a named insured on all other policies existing and not yet up for renewal.

9. Workman's Compensation (S.A.I.F.)

Commissioner McCready moved to approve contracting with S.A.I.F. to provide Workman's Compensation for MSD employees. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

10. Contracts

The Board considered the following contracts made by the Zoological Society expiring on July 1, 1976: Allied Security, Interstate Feed, and Hills Riviana. Staff was requesting continuance of the policies on an interim basis pending the required bidding process.

Commissioner McCready moved to authorize continuance of the three contracts under MSD until competitive bids are received, and authorize the request for competitive bids, and authorize staff to obtain quotes on contracts not requiring bids. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

11. Special Contracts

Mayor Duris moved to approve the continued honoring of American Express, BankAmericard, and Master Charge for Zoo sales. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

12. Accounting and Bookkeeping

Mr. Kemper stated that staff had begun integrating the MSD and Zoo accounting systems for operation as of July 1, 1976.

Mayor Duris moved to approve the integration of the Zoo and MSD accounting procedures into a common system. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

13. Banking

The staff presented a written procedure for banking transactions requesting approval and designated signatures for check signing. Commissioner Miller suggested two signatures on checks for amounts exceeding \$500, and during discussion of depositing it was agreed that persons depositing money would not be allowed to sign checks. Mr. Kemper indicated at this time MSD and the Zoo had several banking accounts and proposed that these should be combined in one independent checking account.

Councilman Becker moved to approve the Banking Administrative Procedures in concept with complete separation of depositing and signatures on checks; with investments made by two or three signatures; and consolidation of the bank accounts. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

14. Cash Receipts and Accounts Receivable

The Board considered MSD Administrative Procedures No. 48 and 49 covering the receipt and handling of cash and the accounts receivable. Commissioner Miller suggested that a cash room audit be done at designated periods by persons other than those handling the cash.

Commissioner McCready moved to approve MSD Administrative Procedures No. 48 and 49 amended to show independent audits of cash handling. Mayor Duris seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

15. Checking and Accounts Payable

Mayor Duris moved to approve MSD Administrative Procedures No. 45 and 46 and designate Charles Kemper, Warren Iliff and John Wilson as check signers with two signatures required on checks exceeding \$500. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

16. Audit

No report.

17. Purchasing

Approved under item No. 15.

18. Payroll

Mayor Duris moved to integrate the MSD payroll into the Zoo's U.S. Data Corp., system. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioner Schumacher was not present.)

19. Accounting Code System

Commissioner McCready moved to approve the MSD Administrative Procedure outlining the accounting code. Councilman Becker seconded the motion. The motion carried unanimously. (Commissioner Schumacher was not present.)

20. Petty Cash

Approved under item 15.

21. Union Negotiations

Discussed under Executive Session under authority of ORS 192.660 (3). No action was taken.

76-554 CONTRACT 76-010 WASHINGTON COUNTY TRANSFER SYSTEMS

Mr. Ketterling reviewed the staff report covering the Washington County Transfer Systems' proposed agreement with MSD, indicating the meetings held between MSD and the Washington County Haulers Association. He outlined the advantages and disadvantages of

entering into agreement with WCTS. Mr. Ketterling's findings stated that MSD had a sincere desire to work with the collection industry on implementation of the solid waste program; however, he indicated concern that members of WCTS were also supporting dissolution of the District. Mr. Gisvold expressed concern over entering into an agreement with WCTS due to the Contract Review Board and bidding laws and to a required modification of the plan from one transfer station to mini-transfer stations in different locations.

Mr. Dave Miller, representing Washington County Transfer Systems, addressed the Board. Mr. Miller stated that he felt MSD and WCTS could work together even though members of WCTS were in partnership with groups unfavorable toward MSD. He discussed the possibility of not becoming involved with the public bidding law; and indicated dissatisfaction with the Merlo Road site as he felt it would be too accesible for the public hauling their own wastes. (Mr. Miller's statement is attached.)

Mr. Kemper stated that the MSD Solid Waste Committee were in favor of the concept of an agreement between MSD and WCTS. He felt the problem was staff time and the court case under way. Mr. Ketterling stated that legal counsel had concerns over the wording in the agreement and stated the question as to whether MSD should even proceed to develop such an agreement.

Commissioner Miller felt there was merit in the proposal, however, he did not wish to take action at this meeting. The rest of the Board was in agreement and no action was taken.

76-555 CONTRACT 76-008 - DARREL DUNHAM - TIRE PROGRAM COMPUTER SYSTEM

Mr. Hankee brought Contract No. 76-008 before the Board stating that this was a revised contract with Darrel Dunham for service on the Scrap Tire Program computer system. The revision is an increase in the charges per month from \$50 to \$80. Mr. Hankee indicated that staff was researching alternatives to the Dunham agreement per the public bidding law, however, was recommending approval of Contract No. 76-008 until alternative arrangements are developed.

Commissioner Schumacher moved to approve Contract No. 76-008. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

76-556 STATUS OF LEGAL ACTION RELATED TO MSD USER FEE

Mr. Gisvold reported on the status of MSD's legal action stating that the Teamster's Local 281 intended to appeal as a "friend of the court" under the litigation and whether this will be allowed is solely at the discretion of the court. He also reported that on June 18 the industry attorneys and DEQ discussed a list of issues to be resolved in court with some issues being reserved by industry for litigation at a later date. Mr. Gisvold indicated that the parties involved have agreed to abide by the decision of the court; and that while it was interesting that they wished to participate in the MSD Solid Waste Program at the same time they were attempting to delay or destroy implementation of the program, no legal impediments existed to preclude entering into agreements with industry.

76-557 CONTRACT 76-006 - City of Portland - Zoo Facilities

No action taken.

OTHER BUSINESS

76-558 Ordinance No. 41

An ordinance establishing fees for admission to the Portland Zoo and an effective date and declaring an emergency.

Commissioner Miller asked if everyone in the audience had a copy of the ordinance. There was no response.

Motion 76-558.A: Commissioner Schumacher moved to read Ordinance No. 41 by title only. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

The clerk read the ordinance title.

There was some discussion on the discount provided for people living inside the District and possible free passes for senior citizens. Mr. Wilson explained the problem which existed on the former Zoo Director's American Express credit card and the steps the Zoo staff were taking to remedy the problem.

Commissioner Miller asked if there was anyone in the audience that wished to speak to Ordinance No. 41. There was no response.

Motion 76-558.B: Mayor Duris moved to adopt Ordinance No. 41. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote.

76-559 Consolidated Waste Services Inc.

Mr. Glanz addressed the Board stating that CWSI had purchased controlling interest in Resource Recovery Byproducts; and wished to meet with the Board to begin negotiations for the North Portland solid waste processing station. Mr. Glanz was also requesting that while CWSI had some stockholders involved in litigation against MSD, the Board consider CWSI as a separate corporation not included in the legal action. The Board members had some difficulty in accepting Mr. Glanz's philosophy of a separate entity; however, agreed to have the Board sub-committee of Commissioners Miller, McCready and Schumacher meet with CWSI for discussion.

76-600 Trip Review of Existing Processing Stations

Commissioner Miller proposed a tour of existing facilities involved in solid waste processing in the United States for himself, Commissioner McCready and Mr. Kemper. The itinerary and time schedule will be developed. The Board was in agreement that Mr. Kemper would accompany Commissioners Miller and McCready on the trip.

There being no further business to come before the Board the meeting adjourned at 5:25 P.M.