



METROPOLITAN SERVICE DISTRICT

1220 S.W. MORRISON, ROOM 300, PORTLAND, OREGON 97205

(503) ~~223-3678~~ 248-5470

MSD BOARD MANAGEMENT COMMITTEE

SEPTEMBER 29, 1978

I. SOLID WASTE RESOURCE RECOVERY FACILITY NEGOTIATIONS

- . UNDERWRITER SELECTION
- . PHASE II STATUS
- . RESPONSE TO JACK MEADOWS LETTER

II. PERSONNEL MANUAL REVISIONS

III. TRI-MET PASS DISCOUNT

IV. OTHER BUSINESS

September 25, 1978

MEMO

TO: Roy Ruel

FROM: Chuck Kemper *CK*

Based on the discussion Friday, September 22, 1978, the MSD Management Committee plans to recommend the following to the MSD Board:

- That detailed negotiations for final project agreements proceed concurrently with the Phase II Engineering Work and as soon as underwriters have been selected and procurement strategy approved.
- That necessary Phase II work proceed concurrently with contract negotiations and as soon as the cost of such work is fully estimated and can be reviewed and approved by the MSD Board. Both parties should share equally the cost of such work. The amount of Phase II engineering work will depend on the procurement strategy.
- That a strategy for procurement of design and construction services be developed and agreed to by both parties prior to starting any Phase II work and necessary approvals from the State Contract Review Board be sought as soon as possible.

1.20.B.3.21 ✓

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METROPOLITAN SERVICE DISTRICT

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(503) 248-5470

September 25, 1978

MEMO

TO: File 1.20.B.3.21

FROM: Chuck Kemper 

SUBJECT: Publisher's Paper Negotiations, September 25, 1978,
4:00 p.m.

Met with Roy Ruel today to discuss the Management Committee's recommendation related to the MSD/Publisher's Paper Co. Resource Recovery Facility.

I gave him a copy of the attached memo that provided the position that the MSD Management Committee wanted to present to the full MSD Board as soon as possible. I indicated to Roy that they wanted to give him an opportunity to respond to the points in the memo. Roy indicated that he felt it would be difficult for Publishers to put any additional money into the project at this time. I told him that for varying reasons the MSD Management Committee and myself felt that that was a necessary requirement in order to proceed.

Roy wanted to know why the MSD hadn't responded to Jack Meadows' letter of ~~August 21~~ ^{August 21}, 1978. ~~He~~ indicated that they planned on responding but they didn't want to respond in general terms but in more specific terms. ~~because~~ I felt the letter was written in a fairly general way and we were aware of Roy's position on different things and we wanted to get those decisions made as soon as possible.

I indicated to Roy that we needed to have the Publisher's Paper Co. negotiating team defined and established. We would provide for him a list of people that would be operating a negotiating team.

Roy indicated that the work scope for Phase II ought to be expanded to include any additional work that's needed and be more definitive, and that maybe we should receive proposals from several other engineering firms to do that work. I indicated to him that I supported, after much thought and analysis, the approach of going to a turn key operator. I was concerned about Bechtel being locked into that at this point in time. I felt that we ought to establish specifications and go out for requests for proposals after the Phase II engineering work is completed. He indicated he agreed, and that he would include in the work scope detailed specifications and requirements so

Page 2

Memo to File

Publisher's Paper Negotiations September 25, 1978

that the RFP could be written and responded to properly. The question of who pays for the Phase II work still needs to be resolved and Publishers didn't budge on their position of supplying zero dollars.

I indicated that the underwriter selection had to be resolved before proceeding into negotiations of the contract. He agreed and said that he is willing to take up the issue now and that Stender Sweeney was in town from Times Mirror and that we would get together tomorrow and discuss that.

He wanted to know why we hadn't continued further with any contract negotiations after three or four months ago when we started. I indicated to him that we had prepared an elements of the contract paper that we submitted to Publishers and had never received any response. I said that the ball was in his court relative to that and that we stand ready to negotiate the contracts.

In summary, the work with Publisher's Paper Co. continues. I would hope that the MSD Board will take action as soon as possible in order that we can resolve the issue of the Phase II work. I definitely feel that the work should be done and that we should proceed with the project on every front.

1.20.B.3.21

C



METROPOLITAN SERVICE DISTRICT

1220 S. W. MORRISON ROOM 300 PORTLAND, OREGON 97205

(503) 248-5470

September 26, 1978

MEMO

TO: File 1.20.B.3.21
FROM: Chuck Kemper 
SUBJECT: Underwriter Selection Discussion
2:00 p.m. September 26, 1978

In attendance: Stender Sweeney, Times Mirror
Roy Ruel, Publisher's Paper Co.
Chuck Kemper, MSD

Stender Sweeney opened the discussion by stating that he had reservations about the timing of our selection process for the underwriter. He indicated that the time to select the underwriter should have been prior to the Phase I engineering work or at this time; that it was inappropriate to select them at the time that we went through the process, which was approximately one month ago. He indicated his preference and his choice for White Weld & Co. being the underwriter for the project, since Publisher's Paper was participating by including \$20 million in the project and the commitment of \$50 to \$60 million in the contract obligation. He felt that the underwriter that we used for this job should be someone who is very understanding of the corporate problem. He recognizes that the project is a hybrid project for public and private entities. Times Mirror has a definite interest, and that interest is in making sure that the deal will go together once they spend the effort and time to do it.

Sweeney said that Publishers will take over the project as soon as the check is written by Times Mirror. The Times Mirror's interest in the project is primarily the financing and making sure that the financing doesn't foul up the financing of any other of their corporate projects downstream. He is very sensitive about the process that we are in right now. He proposed that we select a financial consultant to resolve our particular problems and that White Weld be the selected underwriter.

Page 2

Memo to File 3.21

Underwriter Selection, September 26, 1978

I indicated that I felt there were three possible alternatives that should be discussed and I told them I wasn't sure exactly how this should proceed.

- (1) That we utilize the co-manager arrangement as discussed by the Selection Committee
- (2) That we go with White Weld
- (3) That Publisher's Paper and MSD select a different underwriter from either Paine Webber or White Weld

I said that in any event, under any alternative, that MSD would be interested in having a financial consultant. Stender Sweeney was surprised, I think, at the third alternative, and indicated that that would be a cop out to the real issue. I stated that it is very important to resolve the MSD's concern about White Weld being in the camp of Publisher's Paper or Times Mirror, and that that problem has to be resolved before we can get to first base.

I view this issue as a major decision point in our implementation of this project. I felt that I beared my teeth as much as I could in the meeting. Stender looks at this as a major decision that is very important to Times Mirror. We, on the other hand, view it as a major decision in trying to really discover why it is so important to Publishers and Times Mirror to have White Weld and only White Weld. I see the position the Times Mirror and Stender is presenting as a hard line position that I am not sure will change.

Stender wants the decision to be made by me. Obviously trying to put as much pressure on me as he possible can. I think there are several questions that have to be answered.

- (1) Can White Weld & Co. support and look out for MSD's interests?
- (2) Will Publisher's stop the project if this issue isn't resolved to their liking?

I said that I would be contacting several members of the Board

Page 3
Memo to File
Underwriter Selection

to try to sort out where we are going on it and that if necessary we would call together the group of people that did the selection again and have them talk about those three alternatives. Stender, however, wasn't too enamoured with that approach. He felt that the decision should be made by me and that I should make it and have us proceed on with the issue.

1.20.3.21.

DRAFT

Dear Mr. Meadows:

On behalf of the MSD Board, we were extremely pleased to receive your letter indicating interest in continuing with the Resource Recovery Project.

As you are aware, solid waste disposal facilities are critically needed in the MSD area. Prior to receiving your letter, and since then, the MSD Management Committee and staff have spent considerable time and effort evaluating the information provided by consultants and yourself regarding this project. In addition, we have sought outside advice from other consultants.

Based on our deliberations, we believe that conceptually this is an excellent project which benefits both yourself and the people of MSD. We are therefore anxious to have the project continue in the most expeditious manner possible; however, the possible concerns of our constituents make it difficult to render an unqualified approval for continuation.

As you are aware, the citizens of MSD and the State of Oregon have invested nearly \$1 million in this project to date. In addition, nearly \$500,000 of State Pollution Control bonds have been spent in the first phase of engineering for this project. Presumably, these expenditures have provided you with much of the information needed to determine whether this project should be further pursued by your company.

In light of this heavy public investment, and in spite of

our convictions regarding the importance of this project, it is extremely difficult to appropriate further capital monies without a strong commitment from Publishers and Times Mirror. We are, therefore, asking you to reconsider your position regarding the sharing of further engineering design costs required for implementation of the project. We feel that it is only through this sharing that your commitments can be fully demonstrated and that we can answer what would seem to be the legitimate concerns of our constituents.

We believe that the work generally outlined by Roy Ruel needs to go ahead as soon as possible to prevent further delays. We believe that much of this work can be done while contract negotiations proceed. The MSD Board and/or Management Committee is willing to meet with you to discuss these matters at greater length. If you should have any questions, please contact Chuck Kemper or myself.

Very truly yours,

Robert Schumacher, Chairman
Board of Directors
Metropolitan Service District

DRAFT

Scary
Return ↗

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Very truly yours,

Robert Schumacher, Chairman
Board of Directors
Metropolitan Service District

PROPOSED CHANGES FOR MSD PERSONNEL MANUAL - 8/16/78

Section 1.3.1 DEFINITIONS

- Page 4 "ANNIVERSARY DATE" -- First four words deleted so this read -- "DATE OF EMPLOYMENT".
- Page 5 "COMPENSATORY TIME OFF" -- Deleted in its entirety, no longer applicable.
- Page 5 "DIVISION DIRECTOR" -- The words "To the MSD Board" deleted from the definition.
- Page 6 "IMMEDIATE FAMILY" -- Add "Grandparents" to those listed
- Page 6 "LEAVE OF ABSENCE" -- The last 5 words deleted, the definition ending with "Division Director".
- Page 7 "WORKDAY" -- Changed to read-- "The regulary scheduled workday shall be eight (8) hours."
- Page 7 "WORKWEEK" -- Changed to read -- "The regularly scheduled workweek shall be forty (40) hours."

Section 2.3.2 ATTENDANCE

- Page 9 First sentence replace with -- "Employees shall not absent themselves from work for any reason other than those specified in these rules without making prior arrangements with their Department Head."

Section 2.4.3 PERSONNEL RECORDS

- Page 9 First and second sentences replaced with -- "Employees performance shall be evaluated pursuant to MSD Administrative procedures."

Section 2.7.1.(c) TRAVEL EXPENSE

- Page 11 "AND EXPENSES" -- added at the end of the second sentence.

First part of the third sentence deleted to it now reads -- "The employee may elect to receive a \$15.00 per deim."

"MSD Board" at the end of the last sentence replaced with "Administrative Division Director".

- Section 2.8.1 EMPLOYEE ORGANIZATIONS AND REPRESENTATION.
Page 11 The words "to the Division Director" deleted from the second sentence.
- Section 2.11.1 MANDATORY RETIREMENT
Page 12 "AGE 65" in the first sentence changed to "AGE 70".
- Section 5.4.1 OVERTIME COMPENSATION
Page 20 "DEPARTMENT HEADS" at the beginning of the first sentence replaced with "SUPERVISORS".
The word "FOR" in the second sentence replaced with "BY".
- Section 6.1.1.(i) HOLIDAYS
Page 21 "DEPARTMENT HEADS" replaced with "Supervisor".
- Section 6.1.4 HOLIDAYS
Page 21 After the word "allowed" replaced with "a deferred holiday to be scheduled by the Supervisor."
- Section 6.7.5 LEAVE OF ABSENCE WITH PAY
Page 24 In the first sentence between the words "fifteen" and "calendar" the word "consecutive" is inserted.
The third sentence which begins with "The amount of compensation" is deleted in its entirety.
- Section 6.11.1 INSURANCES
Page 26 The rest of the first sentence after "dental insurance" is deleted
- Section 6.11.2 INSURANCES (New Paragraph)
Page 26 Except for the 5 employees covered under PERS all permanent employees, after one year of service, are members of MSD's retirement plan with Bankers Life. MSD pays all of the contribution to the Defined Benefit part of the plan and the employee pays all of the defined contribution part of the plan with a mandatory minimum deduction of 3% of gross earnings; and there is the option of contributing up to 10% of gross earnings to this part of the plan.
PERS Employees are subject to the Oregon State PERS rules and procedures.

Section 6.11.3 INSURANCES (New Paragraph)

Page 26

All permanent non-union employees are members of the MSD's Standard Insurance plan which includes insurance for Life, AD&D, and Long Term Disability.

ALL OF SECTION 3.1, DISCIPLINARY ACTION, PAGES 12-17, REPLACED WITH THE FOLLOWING:

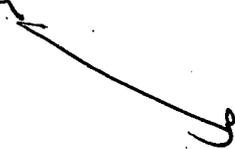
Section 3.1 --Disciplinary Action

- 3.1.1 Disciplinary action ranges from oral reprimand to discharge from employment and depends on the severity of the offense as well as the number and frequency of previous acts of misconduct.
- 3.1.2 It shall be the duty of all employees to comply with and to assist in carrying into effect the provisions of these personnel rules. Except as provided in Section 2.2.5 of this manual, no employee will be disciplined except for violation of established rules and regulations, and such discipline shall be in accordance with procedures established by these personnel rules.
- 3.1.3 Actions or practices that may constitute grounds for disciplinary action include, but are not limited to, the following:
- a) Insubordination - willful refusal to obey the orders of a supervisor and/or the use of profane, obscene or abusive language to embarrass, ridicule, or degrade a supervisor;
 - b) Disobedience - failure through neglect or procrastination to follow instructions, procedures and policies;
 - c) Deliberate or concerted restriction of output or work activities or purposefully delaying or impeding the work of others;
 - d) Use or possession or being under the influence of alcohol or unprescribed narcotics or drugs while on the job;

Section 3.1.3 Continued

- e) Jeopardizing the health or safety of visitors, fellow employees, or the animals of the Zoo through neglect of duty;
- f) Forging, altering, deliberately falsifying or making unauthorized copies of any documents, authorizations or records that are to be used by or for the Metropolitan Service District, including ~~the~~ ^{Committee} ~~commitment~~ of fraud to receive or increase a District benefit;
- g) Theft, destruction or abuse of District property or the property or possessions of visitors or fellow employees, including the property of others in custody of the District;
- h) Abandonment of position or absence from duty without leave; or
- i) Engaging in indecent or unlawful conduct not otherwise specifically prohibited by District rules on District controlled premises whether within or outside regular work hours.

INABILITY
TO RETURN



3.1.4

The following disciplinary actions shall be imposed in a progressive manner but need not follow this sequence, depending upon the severity of the act or practice being disciplined.

- a) Oral Warning: Oral warning is notice to an employee that his or her behavior or performance needs improvement. It defines areas where improvement is needed, sets goals and informs the employee that failure to improve may result in more serious action. The supervisor shall record the date and content of the oral warning and a record of such warning should be placed in the supervisor's files.
- b) Written Warning: Written warning is formal notice to the employee that his or her performance or behavior needs improvement. It contains many of the same elements as the oral warning. A copy of the written warning shall be placed in the employee's personnel record. When corrective action has been taken by the employee, it shall

Section 3.1.4.(b) Continued

be noted and placed in the employee's personnel file. A written warning may be issued by the immediate supervisor but must be approved by the department head prior to being forwarded to an employee and placed in his or her file.

c) Suspension: Suspension is a temporary removal of the employee from his or her duties without pay. The nature of the offense, its severity and the circumstances shall dictate the length of the suspension. Recurrence of the same or similar offense can result in a second suspension of duration longer than in the case of the first suspension or may result in discharge. An order for suspension shall state the cause for the suspension, the duration and the loss of pay. A copy of such order shall be placed in the employee's personnel file. Suspensions may be ordered by the department head after consultation with the division director.

REMOVE

d) Discharge: Discharge is the removal of the employee from the service of the Metropolitan Service District. Discharge shall be preceded by suspension for at least ten(10) working days. Discharge may be recommended by a department head but must be approved by the Division Director. The following procedural requirements must be met prior to the discharge of an employee who has completed a probationary period:

- i) Notification, in writing, to the employee of his or her suspension pending discharge, including a statement of the reasons for discharge;
- ii) Placing a copy of the notification in the employee's personnel file; and
- iii) Permitting the employee a hearing to refute the charges orally or in writing before the person authorized either to make the final decision or to recommend what final decision should be made.

3.1.5. Notice of Discharge.

- a) The Division Director shall give an employee notice of his or her suspension pending discharge. The notice shall include:
 - i) The notice of discharge, and the date
 - ii) The reasons, in detail, for the proposed discharge; and
 - iii) Notice of the employee's right to request a hearing before the person authorized to recommend the discharge, make the final decision to discharge, or both.

The notice of discharge becomes a part of the employee's personnel file.

- b) Request for Hearing. The employee shall notify the division director in writing within ten (10) days of the issuance of the notice of discharge that he or she requests the hearing referred to in 3.1.5(a)(iii) above. Such request shall set forth, in detail, the employee's reasons for contesting the proposed discharge. In the absence of such request, the discharge may be effected without further notice.

3.1.6 Conduct of Hearing

- a) An employee is entitled to appear before the person authorized to recommend the discharge, make the final decision to discharge, or both, accompanied by a representative. Those making the decision to discharge may also be accompanied by a representative.
- b) The hearing shall not be open to the public or the press.
- c) A record of the hearing shall be kept and made a part of the employee's personnel file.
- d) Within seven (7) days of the hearing and after due consideration of the information given by the employee, the person authorized shall make a final decision regarding the discharge and notify the employee in writing. A copy of such notification shall be placed in the employee's personnel file.

- 3.1.7 After the final decision has been made the employee has the right to submit the matter to arbitration with written notice within seven (7) days, pursuant to MSD Administrative procedure
- 3.1.8 Any employee found to be unjustly suspended, pending discharge, shall be reinstated with full compensation for all lost time and with full restoration of all other rights and conditions of employment.

Proposed changes in MSD Personnel Manual for Management employees listed in Appendix A.

6.3.2 Annual vacation leave for management employees listed in Appendix A shall be computed on the basis of time actually served during each calendar year. The rate that annual vacation leave accrues shall depend on the number of years of total service for the management employee, whether or not total service was broken. Leave of absence time shall not count towards vacation or retirement. *Anyone who quits prior to 6 months gets*

<u>Years of MSD Service Completed During Year</u>	<u>Monthly Accrual Rate</u>	<u>Total Annual Hours</u>
At Least 6 months <i>0-2</i>	6.67 hrs	80 hrs
At Least 2 years <i>3-5</i>	10 hrs	120 hrs
At Least 5 years <i>6-8</i>	13.33 hrs	160 hrs
At Least 8 years <i>8-→</i>	16.67 hrs	200 hrs

6.11.2 After PERS add "and those employees listed in Appendix A."

6.11.4 The management employees listed in Appendix A shall be deleted from Banker's Life MSD Retirement Plan and enrolled in a MSD Deferred compensation plan with ICMA Retirement Corporation. MSD will contribute 5% of taxable gross of each management employee per pay period to the plan. (Same as prior plan contribution). The employer contributions are allocated only to the Fixed Income fund of the plan.

Each management employee has a mandatory contribution of 5% of taxable gross to the plan per pay period. Federal income taxes will not be deducted on the employee's payroll check on the amount of the individual contribution.

Each employee has the following options:

- 1) The employee can increase his/her contribution rate up to a maximum of 15%.

6.11.4 Continued

- 2) The employee can designate that part or all of his/her contribution will be allocated to the variable fund of the plan. Contributions not so allocated ^{WILL BE} to the fixed income fund of the plan. _A

APPENDIX A

List of Management Employees by title
covered by special personnel rules.

Administrative Division Director

Accounting System Manager

Clerk of the Board

Solid Waste Division Director

Implementation and Compliance Manager

Engineering and Analysis Manager

Zoo Division Director

Zoo Division Assistant Director

Visitor Services Manager

Building and Grounds Manager

Animal Management Department Manager

Education Department Manager

To: *Callie*
7-25-78

TRI-MET PASS DISCOUNT FOR EMPLOYEES

After taking over the zoo MSD continued the fringe benefit of a 20% discount for a Tri-Met pass.

MSD paid the full amount to Tri-Met and this has been an annual expense of approximately \$1450.00.

With the Tri-Met rate increase for passes effective 9/03/78 this expense will increase to approximately \$1825.00 annually.

Informational Item

Check with
Dean re wh.
this is an
existing condition

Chuck,
I checked with Dean
re the above and he thinks
it is not covered by the
union agreement. suggests if we
want to discontinue to do so
and see what happens.

K