

MINUTES OF A SPECIAL SESSION OF THE COUNCIL
OF THE METROPOLITAN SERVICE DISTRICT

May 22, 1980

Councilors in Attendance

Presiding Officer Marge Kafoury
Vice Presiding Officer Jack Deines
Coun. Mike Burton
Coun. Donna Stuhr
Coun. Charles Williamson
Coun. Craig Berkman
Coun. Corky Kirkpatrick
Coun. Jane Rhodes
Coun. Betty Schedeen
Coun. Ernie Bonner
Coun. Gene Peterson
Coun. Cindy Banzer

Others in Attendance

Mr. Phil Adamsak
Mr. Mike Alesko

In Attendance

Executive Officer Rick Gustafson

Staff in Attendance

Mr. Denton U. Kent
Mr. Andrew Jordan
Ms. Jennifer Sims
Mr. Charles Shell
Ms. Caryl Waters
Mr. Mike Holstun
Mr. Tom O'Connor
Ms. Cynthia Wichmann

**Metro Council
Minutes of Special Meeting, May 22, 1980**

The special Council session for discussion of financial alternatives for Metro was called to order by Presiding Officer Marge Kafoury at 3:20 p.m. in the Council Chamber, 527 S.W. Hall Street, Portland, Oregon 97201.

Executive Officer Gustafson discussed the zoo election results and the Metro survey, asking Council members to participate in a meeting to discuss the survey on May 28.

Ms. Sims outlined for discussion several policy and funding options.

Coun. Berkman felt that decisions should be made on projects before financial decisions were made. Coun. Stuhr agreed.

Coun. Bonner expressed strong support for the idea of emphasizing Metro's efforts on behalf of the quality of life in the region, measuring programs against that theme, and asking initially for a very low figure, perhaps \$500,000.

Coun. Kirkpatrick felt that was not enough because federal funds were decreasing.

Coun. Kafoury felt that attention should be paid to the survey results in selecting programs, and that any finance plan should contain a certain amount of unallocated monies.

Coun. Williamson was unsure about how accurately the survey reflected public opinion, and suggested going for a three year serial levy for \$750,000. He felt staff should put together an outline of the functions that could be performed within that price range.

Coun. Schedeen felt it best to go for something clearcut and modest.

Coun. Kafoury felt it should be made clear to voters what their money is paying for and what they can expect in return.

Coun. Burton objected to the idea of setting a dollar amount and then trying to justify it.

There was a great deal of discussion of serial levy vs. tax base, with Couns. Kirkpatrick, Schedeen and Rhodes leaning towards a tax base.

Coun. Williamson suggested asking for a serial levy now, and a tax base when the zoo comes up for another serial levy in three years.

Executive Officer Gustafson wondered to what extent a tax base should include capital expenditures, and discussed the mechanics of getting a tax measure passed by the voters.

Mr. Kent pointed out that a tax base would increase the financial support for Metro and at the same time reduce the bill to the taxpayer

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Coun. Peterson suspected that a substantial number of voters would not want to give Metro the assurance that a tax base would provide, but felt that the state tax relief feature was an important selling point.

There was discussion of how much voter support could be generated for a tax base and how obtaining that support could best be approached.

Executive Officer Gustafson reminded the Council that the Finance Task Force would be discussing the issue at their meeting on June 2, and would be making a recommendation. Coun. Bonner requested that they be asked to provide options.

Executive Officer Gustafson explained that the dollar amount for any tax levy would be set by the Council. He then discussed some of the problems involved in trying to describe what Metro would look like in five years, mentioning several functions that would be feasible for Metro to take on in the foreseeable future and asking what kind of political commitment would be made in transferring the five year operational plan into a budget request. He explained that the purpose of the survey was to determine the needs of the region, not to reflect the feelings of voters.

Coun. Bonner suggested that one policy that should be adopted was to charge a user fee wherever possible. He felt that a series of policies could be set down without being too specific about details, but that it was necessary to make a commitment regarding the amount of money that would be asked for.

Coun. Stuhr felt that it was necessary to provide an opportunity for some growth, to respond to future requests to provide future services.

Coun. Burton believed that establishing a tax base was the first step in getting to quality of life projects that could be pursued, but that established funding should not be exceeded.

Coun. Bonner referred to Executive Officer Gustafson's memorandum concerning the Five-Year Financing Plan, agreeing with statement I.A.1 but suggesting that the third sentence be changed to read "Decreases in current functions would undoubtedly be necessary..."

There was a consensus that the Council agreed with the first sentence of I.A.1, with some discussion of what is "reasonable."

Ms. Sims asked whether the Council preferred to start by establishing a dollar amount and then allocating the money to programs, or to determine which programs would be pursued and then determining their cost.

Couns. Williamson and Burton agreed that programs should be selected first.

Coun. Peterson remarked that the bulk of the budget depends on

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grants and asked what assurances existed regarding the level of grant funding. Mr. Kent explained that the projections were based on past history and appeared realistic.

There was a discussion of availability of grant money and changes in revenue sharing funds.

Coun. Berkman felt that the dollar amount should be set first, then allocated among programs.

Coun. Schedeen felt that the Council should start with a plan for services based on the results of the survey, determine the amount necessary to fund the entire package, and then cut back from that maximum.

Coun. Banzer suggested starting out slowly and gradually getting into things rather than hitting voters with a whole five year program.

Couns. Burton, Schedeen and Banzer felt that a tax measure should not exceed the amount that would be lost from the local dues.

Coun. Rhodes suggested that the second survey be used as a basis for discussion.

Executive Officer Gustafson recommended that a good portion of existing responsibilities be funded with a tax levy, but that taxpayers not be asked to pay for all planning functions. He felt that more reliable figures were necessary before the Council would be in a position to establish a dollar amount.

Coun. Bonner did not want to limit the total budget or activities, but did want to limit the amount that would be funded through a tax measure. He suggested that \$600,000 would be an appropriate figure.

There was some discussion of setting a limit, but no agreement was reached as to what the amount should be.

Coun. Berkman moved, seconded by Coun. Burton, that the Executive Officer and staff be authorized to take the existing revenues that were passed on the A and B ballots and to explore the option of putting that on in the form of a general tax base, and that the excess revenues generated as a result of making that amount subject to property tax relief be allocated to priorities that Council can evaluate, with the amount Metro looks for as revenue for the agency not to exceed whatever that amount may be.

Coun. Rhodes objected that the numbers were being pulled out of a hat, agreeing that a limit should be set but not yet.

After discussion, a vote was taken on the motion. Coun. Rhodes voted no; all other Council members present voting aye, the motion carried.

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Coun. Stuhr pointed out that the Council had never really talked about the pros and cons of getting into service areas, and commented that it was difficult to talk about a dollar figure when it had not yet been decided what the agency should be.

Coun. Banzer stated that she was interested in providing services to people.

Attention turned to whether partial funding should be sought from local jurisdictions. Coun. Kirkpatrick thought service fees were acceptable but expressed opposition to the idea of jurisdictional formula assessments. There was brief discussion.

Mr. Kent reminded the Council of the importance of reviewing the options in the memo and giving thought to the advantages and disadvantages of the various approaches outlined.

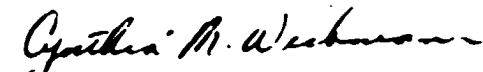
Coun. Banzer suggested that the question of funding would be easier to deal with if the serial levies for the zoo were replaced with a tax base at the same funding level, coupled with a policy of agreement that those functions that directly benefit local government would be paid for by local government. Direct services should be dealt with separately, she felt. This would result in a smaller tax base that would be more palatable to the voters.

Coun. Bonner believed that setting that kind of policy was as important as the operational plan.

Coun. Schedeen commented that voters need to know that Metro has some basic rules of performance.

There being no further discussion, the meeting was adjourned.

Respectfully submitted,



Cynthia Wichmann
Clerk of the Council