

TRI-COUNTY LOCAL GOVERNMENT COMMISSION

August 26, 1976

TO: Commission Members

FROM: Ronald C. Cease, Chairman

This is to confirm the meeting of the Tri-County Local Government Commission:

Thursday Evening, August 26, 1976

7:30 p.m.

Portland State University
Smith Memorial Center - Room 338
S. W. Park & Montgomery

Parking is available in the University Center Parking Garage, 5th and Harrison Streets entrance.

A G E N D A

1. Call to order
2. Roll Call
3. Approval of Minutes of July 15 meeting
4. Notice re meeting with National Panel on September 9.
5. Discussion re initial Committee reports on structure for upper tier government
6. Discussion re initial report of Finance and Administration Committee
7. Discussion of initial Committee recommendations on functional assignments.
8. Discussion of Executive Committee recommendations on continuing the work of the Commission - Telfer
9. Suggestions for slide presentation
10. Other business

puzzle theme

lets Put Together a System of Govt that wks Better

glance at services performed

intro to the Commission effort - ^{identity} small problems

Marion Metro update

brief intro to our tentative long range, short range plans

Common involvement sheet -

need to have every member arrange a
couple of sessions between now & Dec.

? if special purpose funds could be allocated for overhead of administrative Council

Finance - est. \$700,000 initial operating expense

CRA6 Inc. fed grant, MSD - use of existing sources to
establish the upper tier / Port & Tri-Met autonomous
(under budgetary control of this Council)

UPPER

gap - approach by for first premium

shift to regional income tax

by authorization should include widest range of funding /

eventual vote people

Gen support for concept of local govt finance

Main fiscal disparities act (tax base sharing)

no city overlap in prop. tax

MIDDLE

flexible, no mandate from regional level

LOWER

NEED TO FIND MEANS TO INCREASE PRODUCTIVITY

50% school support would help total tax impact

MINUTES OF THE COMMISSION MEETING

Held: August 26, 1976

MEMBERS PRESENT: Cease, Chairperson; Bayless, Blunt, Bonyhadi, Brickley, Bullier, Burgess, Coleman, Gisvold, Gregory, Hammel, Hays, Herrell, Hoover, Jaeger, Jordan, Kalani, Kirkpatrick, Lindquist, Maier, Marsh, Mays, Montgomery, Nightingale, Rieke, Roberts, Schedeen, Schwab Seidel, Shepherd, Sprecher, Stahl, Stuhr, Telfer, Webber, Yost

EXCUSED: Halvorson, Bogue, Buchanan, Keller, Linstone, Mattersdorff, Nees, Rosenbaum, Simpson, Tippens, Russell

The chairman called the meeting to order and reminded the members that the National Panel meeting will be held in Portland on September 9. We would welcome participation by the committee chairpersons in discussing our objectives and any problems we may have. Invitations will be sent out next week for the 5:00 p.m. reception at the Hilton Hotel.

COMMITTEE REPORTS ON STRUCTURE

Cease asked for comments or additions to the Committee summaries (C-86, C-83) which were sent to Commission members last week.

Hoover said the Public Works Committee had not completed structural assignments for transportation or the Port of Portland.

There was no further response on this matter.

FINANCE COMMITTEE REPORT - TelferUpper Tier

With the short range model as a basis for our functional assignment our committee proposed merging the existing operations of CRAG and MSD using their continuing sources of revenue, including the per capita dues structure, for financing the administrative functions of an elected council. We asked for a legal opinion on the dues assessment revenue question and were told it would be no more problematical legally than the existing procedure in CRAG. The Port and Tri-Met, it was assumed, would continue to operate autonomously with their existing sources of funds, and come under some policy and budgetary control of the elected council.

Middle Tier

There is general support for the concept for the joint platform for local government financing that the Association of Oregon Counties, The League of Oregon Cities and the School Board Association has established which seeks an increase in basic support from the state general fund. There is an interest in the Minnesota Fiscal Disparities Act - a tax base sharing scheme - and we feel it deserves further study. It may aid in the implementation of land use policy.

Most important - in looking at city and county services and financing, we find some areas to be duplicitous. For example, city dwellers pay a portion of their city tax levy to support city planning, and pay a portion of their county tax levy

Minutes - 8/26/76

to support county planning. A technique should be developed for making a distinction between area-wide services and county services limited to the unincorporated area.

Lower Tier

We believe neighborhood units should be encouraged and the financing arrangements should be a relationship between the middle tier and the lower tier. It should be very flexible and not necessarily mandated.

Several other observations are: 1) The concept of the Multnomah County Tax Supervision and Conservation Commission has merit and ought to be expanded to cover the whole Tri-County area, 2) Further efforts should be made to find ways to improve productivity using present resources, 3) We recommend that the amount of income tax used to support schools be raised to at least 50% of the general operating cost to ease the pressure on property taxes, 4) Using the existing method of financing local government as part of the total tax picture should be studied further.

The draft of this report will be finalized and sent out for adoption next week.

DISCUSSION

Yost: Why didn't you include Tri-Met?

Telfer: We are thinking of Tri-Met and the Port of Portland on an interim basis operating autonomously with budgetary and planning control in the regional council. Later they could be absorbed into the regional operation.

Rieke: Could the financing be done with existing funds?

Telfer: Yes, it probably can be, but it does not make sense to use a per capita Dues assessment for the longer term administrative support of the council.

Hoover: What is the current source of MSD's revenue?

Telfer: From the zoo, some federal money and a waste disposal grant. They also have the potential for a host of revenue sources.

Gisvold: MSD currently has three sources of revenue, 1) \$2 million per year - 5 year serial tax levy for the zoo, 2) \$160,000 solid waste grant, 3) User fees of \$500-\$700 per month from scrap tire program.

Schwab expressed concern that revenue sources from CRAG and MSD without Tri-Met would be inadequate without a property tax or an income tax.

Telfer: In the enabling legislation we would authorize revenue similar to that authorized for Tri-Met.

Rich: The report states a continuation of the funding - this means also a continuation of the potential funding. It would have the authorization for the user fees, assessments, etc. which are in the present statute.

Stuhr: Do you think the grant from the legislature has a chance? It would be wise to have an alternative financing proposal such as property tax.

Discussion - continued

Coleman: All the funding so far is single purpose dedicated. By combining CRAG, MSD and the Port's dedicated funds are we accomplishing a general purpose government?

Telfer: If these agencies were combined, the duplicated administrative costs could be eliminated.

Hammel: The discussions on funding are premature until you have the functional plan in place.

Roberts: We have a series of single purpose regional governments. I agree that functions have to be assigned before methods of funding can be determined. We should look at this financing report in terms of options and potential.

Gisvold: Regardless of which agencies are consolidated eventually, it may be possible to use some of their dedicated funds for general operating expenses.

Burgess: There was strong feeling in our committee that the CRAG dues system should be removed as promptly as possible.

Yost: Our committee feels there is a serious problem of presenting the idea of a CRAG/MSD consolidation to the community.

Bullier: Has any thought been given to expanding the authority of the Tax Supervision and Conservation Commission.

Telfer: We have discussed a possible tax auditing role, but have not decided what final authority it should have.

Cease stressed Roberts' point that the Commission at this point is still considering possibilities and options.

There were no further comments on funding.

COMMITTEE REPORTS ON FUNCTIONS

The chairman asked for comments on the summary reports and the finance report. Keep in mind that the next meeting of the full Commission will be October 2-3 at Marylhurst. By the time we leave the October conference we will have to have the major pieces of our regional plan identified.

Shepherd: We should concentrate our discussions on functions - we have no authority to introduce a structural plan.

Cease: Three of our attorney Commission members (Simpson, Herrell, and Gisvold) have examined the question of using MSD as the base agency for the Tri-County Council. They found no insurmountable legal obstacles to this idea.

Making use of MSD as a base was recommended after substantial discussion by all the committees. It is generally felt this would be logical approach rather than to introduce a new agency which would not be acceptable to the voters. MSD is the one agency which was voted into existence. It also has substantial authori-

Minutes - 8/26/76

zation for functions, some of which have not been used.

Gisvold: The MSD statute provides for the takeover of Tri-Met, and does not require a vote of the people. There is also a provision that 100 voters may file a petition for the merger of the Port, Tri-Met and MSD.

BURGESS MOVED TO ACCEPT THE FUNCTIONS OF MSD AND CRAG AS THE BASE AGENCY WITH AN ELECTED BOARD. SCHEDEEN SECONDED THE MOTION.

RIEKE AMENDED THE MOTION TO INCLUDE "USING MSD LEGISLATION". THE AMENDED MOTION PASSED WITH SCHWAB AND COLEMAN OPPOSED.

There was further discussion on the Port and Tri-Met -

HERRELL MOVED THAT TRI-MET AND THE PORT OF PORTLAND BE ACCOUNTABLE TO THE ELECTED TRI-COUNTY COUNCIL, LEAVING ASIDE THE QUESTION OF THE DAY TO DAY GOVERNING BODY.

Cease asked the Commission not to accept this motion until the October meeting, so that we can make this judgement after further discussions.

Roberts: We are not deciding on the key issues. This commission is not in a position to make a legislative recommendation. A metro council should have responsibility for all services in the Tri-County area. The Port functions intermingle with all the other governmental units.

Several members stated their reasons for approving or not approving the motion on the floor.

Yost agreed with Roberts that all the single purpose regional agencies should be under the umbrella agency, including HSA, Boundary Commission, MSD, CRAG and the Port of Portland.

Bonyhadi stated that all ports should be under the auspices of the state.

CEASE RESTATED HERRELL'S MOTION AND ASKED FOR A VOTE. A COUNT OF HANDS WAS TAKEN AND THE MOTION PASSED UNANIMOUSLY WITH ONE ABSTENTION.

SCHWAB MOVED TO INCLUDE TRI-MET IN THE SAME MANNER AS CRAG AND MSD AND ELIMINATE THE PORT OF PORTLAND, BUT CONSIDER IT LATER SEPARATELY. SCHEDEEN SECONDED THE MOTION.

There followed a discussion for and against this motion. Cease said this motion was counter to the previous one which passed.

Sprecher: The Port is also a governing body appointed by the Governor, and taxes in the Tri-County area the same as Tri-Met.

YOST MOVED TO AMEND SCHWAB'S MOTION - "THE COMMITTEES WILL INVESTIGATE THE FEASIBILITY OF INCLUDING ALL REGIONAL AGENCIES WITHIN THE JURISDICTION OF THE ELECTED TRI-COUNTY COUNCIL. SCHEDEEN SECONDED THE MOTION.

A vote was taken on Schwab's motion and it failed.

Minutes - 8/26/76

YOST MADE A NEW MOTION THAT THE COMMITTEES WILL INVESTIGATE THE FEASIBILITY OF INCLUDING ALL REGIONAL AGENCIES WITHIN THE JURISDICTION OF THE ELECTED TRI-COUNTY COUNCIL. THE MOTION PASSED UNANIMOUSLY WITH THE FOLLOWING ABSTENTIONS: Bullier, Coleman, Mays, Bonyhadi, Schwab.

Stuhr: We are heading for an income tax proposal. If there is disagreement on this the Finance Committee should hear it before we spend time on the details.

There was no further discussion.

Meeting adjourned 10:00

AMR/bjg