

FINANCE AND TAXATION COMMITTEE MEETING

Thursday, March 4, 1976

Noon

A G E N D A

1. CALL TO ORDER
2. APPROVAL OF MINUTES
3. SPEAKERS: Fred Rogers, Budget Mgr., Port of Portland
 Bob McWilliams, City Mgr., Gresham
 Jim McKillip, Fiscal Mgr., CRAG
4. COMMITTEE DISCUSSION
5. REMINDER: Thursday, March 11th, the committee begins deliberation on issues and problems

CRAG

PROBLEM - future grants probably drop
 67% total budget

PORT

153 million budget
 includes revenue bonds (49%) cap. const.
 operating revenues (35%)
 under tax supervision cons. commission

RFA - 15% total

els

Petition out anti-CRAG, anti PORT
 Seattle - 654/thous.

OOD MATRIX ON NEEDS

Gresham -

\$13 million

+ assessment (3,800,000)

+ enterprise funds

tax rate 2.87

1.90 general

lowest tax rate

try to make functions self-supporting

try to rely on fees for services

sewer connection

500 resid. 800 nonres.

water " 335

others?

PROBLEM - Mandated costs from state govt.

163,797 tax base

CCDC eval cost \$7,000
provide info for submittal

\$3,168,000 - operating budget amount

Needs assessment

based on community service committee

Council each appointed citizen

from 1.5-15 sq. mi.
in past 10 yrs.

138 employees

made 4% personnel cut Jan. 74

SOLUTION - Tri-Co. bears
license tax, distributed
back on prop

should have 1.9 police emp per 1000

WHO SHOULD PROVIDE SERVICES? WHAT ARE ESSENTIAL SERVICES?

\$4200 av. lot imp.

MARCH 15 - 4 p.m.

AND reg. - redlining

MINUTES OF THE FINANCE AND TAXATION MEETING

Held: March 4, 1976

MEMBERS PRESENT: Simpson, Chairperson; Bogue, Kirkpatrick, McGilvra, Stahl, Telfer

EXCUSED:

Staff: Bukowsky, Rich, Garbutt, Raimondi

Invited Guests: Shirley Tribble, Commissioner Buchanan's office
Fred Rogers, Budget Mgr., Port of Portland
Bob McWilliams, City Mgr., Gresham
Jim McKillip, Fiscal Mgr., CRAG

McKillip distributed copies of CRAG's budget calendar. Their budget is on a negotiation basis, and the budget and work program are first approved by the budget committee, then to the Board and General Assembly. Local dues make up 25% of total revenue, and are highly overmatched in terms of grants. Federal grants account for 67%. Projections: Because of the lack of funds, the future is not very bright.

A staff of 30-35 is working on LCDC requirements. Some ODOT money had to be transferred to planning. CRAG will have to reduce present activities and staff. Perhaps by the time the grants run out CRAG will have worked out a master plan and will then be only a maintenance agency.

Mandate - If an assessment of dues is approved, all members must pay their share. Columbia County is not a member, and the State of Washington has not accepted associate membership.

Rogers discussed the budgetary process in preparing the final legal document.

Budget is highly computerized and shows trends and seasonal variations.

Steps in preparing budget:

1. historical information from supervisors for projections.
2. transferred to computer format, then departmentalized.
3. management committee review
4. review with finance committee - at this time changes can be made and citizen input is considered.
5. Port Commission
6. it is then turned over to the Tax Conservation and Supervisory Commission.

Grants, bonds, tax levy structure all affect the operations budget. Contingencies are not very great.

Breakdown of resources: \$153M this year. The Port has the authority to issue revenue bonds, which makes up 49% (\$75M) of revenue. Bonds are usually 20-30 years. \$35.7M comes from operations. The tax base was established in 1900 through a vote - it is \$1.7M.

Airport construction is being paid for by revenue bonds. Landing fees are established according to the needs of the Port. Airlines guarantee the amount regardless of how few planes use the services.

Hillsboro and Troutdale airports are separate entities, and are self-supporting, but do not pay for capital construction.

Rogers.- continued

Private companies will not back bonds for ship repair facilities. It would require a consortium of the oil companies who own the tankers.

Because of revenue bonds \$91.7M of budget is capital outlay. Operating cost \$29.5M (19%).

Contingency for capital expenditure - \$4M (2.6% of budget).

Operating expenses - \$18.2M - paid direct to union halls and distributed from there.

77.6% - operating expenses

22.4% - overhead

Current problems: 1. Funding - Enough funds can be generated for operation but not for capital expenditures. New cargo facilities are needed for the airport. The role of the port may have to be changed to offer fewer services.

Clackamas County may withdraw from the Port, they want to take it to the voters. If this passes, no new bonds could be issued without a vote.

2. Budget by expense appropriation basis. A possibility would be to budget on a net basis as Seattle does.

Port also has the authority to issue revenue bonds for pollution abatement.

McWilliams: City has 138 employees. In December, 1974, there was a 9% personnel cut. Budget process - Total budget \$13M including assessment fund. Present budget provides for no new programs or personnel.

Tax rate - \$2.87 per thousand, of which general fund is \$1.90. Gresham has the lowest tax rate for its size. They try to make as many functions as possible self-supporting, and have had a sewage and water connection fee for some time. Sewer cost per resident in the city is \$2.50, sewer connection fee is \$500. Last year was the first time the city had to go outside the 6% limitation.

Plans are submitted to LCDC for approval. The City of Gresham is not eligible for grant money because they have a completed plan.

So far this year they have spent \$27,000 to evaluate a plan to submit to LCDC. Development of a plan is one of the mandated costs.

Last year 700 living units were built. Builders pay for the costs of new roads, lighting, water and sewer.

Is there anything in this area which would warrant something like the Minnesota tax sharing plan?

1. We must do a better job of deciding who should perform services.
 - a. Which are essential and which are optional services.
 - b. Inform public of the cost of services.

McWilliams - continued

Annexation over the last 10 years has increased the Gresham area from 1.5 to 15 square miles.

ANNOUNCEMENT: Tickets for the Portland Junior Symphony concert at Otter Crest April 10 are available through Bill Cross.

At the March 15 meeting of the Neighborhood Committee, "Redlining" will be discussed. All interested are invited.

Next Commission meeting will be March 18, 7:30 p.m. Reading material for this meeting is in the Commission library:

Port of Seattle Final Budget 1976
Port of Portland Budget 1976
Management Budget 1975-76, Support Dept.
Management Budget 1975-76, Operating Dept.

ATTACHMENT

ADJOURNED

gtb

IMMEDIATE ACTION PROJECTS

TC LGG

F-18

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