

**METRO REGIONAL PARKS AND GREENSPACES  
ADVISORY COMMITTEE (RPAGAC)  
MEETING NOTICE**

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**Date:** Tuesday, March 5, 2002  
**Time:** 6:30 - 8:00 PM  
**Place:** Metro Regional Center, 600 NE Grand Ave, Portland, Room 270

**AGENDA**

- I. Introductory comments and announcements (10 minutes)
- II. Status of residence on Fanno Creek Greenway (Lowery property)  
(20 minutes) (Jim Morgan)  
**Committee review and approval of staff recommendation**
- III. Metro Executive Officer proposal to increase solid waste excise tax to generate funds  
dedicated to parks operation and management (15 minutes) (Jay Hamlin)  
**Final approval of committee letter to Metro Council**
- IV. Redistricting RPAGAC positions (15 minutes) (Ron Klein)  
**Committee discussion and approval new committee reorganization**
- V. Appoint RPAGAC representative and alternate to the Water Resources Policy  
Advisory Committee (WRPAC) (10 minutes) (Jay Hamlin)  
**Committee discussion and appointments**
- VI. Adjourn

In 1997, Metro purchased 6.8 acres along Fanno Creek in Tigard. The property includes a residence outside the floodplain that will eventually require significant repair. Metro park staff recommends renting the house until maintenance is no longer economically feasible, then raze the structure and restore the property to its natural attributes.

Metro's Executive Officer submitted a request to Metro Council to enact an increase in the solid waste excise tax to generate additional funds dedicated to the Metro Regional Parks and Greenspaces Department. The RPAGAC will review and approve a letter to Metro Council related to this proposal.

In November 2000, the citizens of the region approved Ballot Measure 26-10, authorizing a change in the structure of the Metro elected leadership. The new structure replaces the current Executive Officer elected regionwide and seven-member Council, elected by district with a regionally elected Council President and six Councilors elected by district. The new structure goes into effect in January 2003. Because committee members represent Metro districts, committee positions must also reflect this organization beginning in 2003.

WRPAC is a 38-member advisory committee including representatives of water and sewer districts, environmental groups, natural resource agencies and citizens. The committee is advisory to Metro Council on matters related to water resources and fish and wildlife habitat. RPAGAC has a voting position on the committee representing one of four citizen positions.

**Next RPAGAC meeting will be April 2, 2002, Metro Regional Center, 6:30PM**

Status Report on Lowery House, Fanno Creek Target Area  
02/26/02

**BACKGROUND**

In June of 1997, Metro acquired a 6.8 acre parcel of land on Fanno Creek in Tigard, identified on the attached plat map, known as the "Lowery Property". It included a residence that was subsequently stabilized by the Metro Open Spaces Division and then leased to residential tenants. Once a former horse pasture, open space portion of the Lowery Property became the subject of wetland restoration efforts performed by ODOT in 1999, as mitigation for the loss of wetlands due to expansion of the Interstate 5/State Highway 217 interchange. Most of the Lowery Property now consists of regionally significant Fanno Creek wetlands, floodplain and forested riparian area. However, the residence and its immediately surrounding .25-acre home site, depicted in Exhibit A (the "Residence Property"), is situated outside the Fanno Creek flood plain and riparian area, has limited potential for restoration as wildlife habitat, passive recreation or trail corridor potential.

The remaining 6.5 acres of the former Lowery Property has been incorporated in the Woodard Park Concept Plan adopted by City of Tigard by Resolution No. 99-13. The plan incorporates the 6.5 acre portion of the Lowery Property excluding the house and adjacent 0.25 acres. Portions of the plan has been implemented in the 6.5 acres including a Fanno Creek Trail segment, along with the construction of a wetland enhancement project.

At the time of purchase, the condition of the house required a moderate improvement to elevate to minimum acceptable condition for renting. Since that time, normal deterioration, age and inferior construction of the house have resulted in a current condition where there is the possible structural failure. A significant long-term investment (\$45,000 - \$55,000) in the house is needed to improve the house for a long-term rental unit. Based on the fair market value for rental houses in that area and the size of the house, approximately 8 years of rental income minus maintenance costs and taxes is needed to recover this investment. Given that the house is not needed to implement the master plan developed for the site, any significant house improvement at this time would not be prudent.

City of Tigard has agreed to assume management of the 0.25 acres once the house is demolished, removed, and the site enhanced or restored. The City has no interest in retaining or managing the house.

A thorough examination of the house was conducted in January 2002. Costs for minimal improvements needed to make the structure habitable and comply with Oregon Tenant laws were estimated, including:

<u>ITEM</u>	<u>EST. COSTS</u>
Removal of rotted bedroom floor; pour and finish concrete floor	\$ 1,820
Cover bedroom floor with linoleum	\$ 500
Repair roof support beam rot	\$ 500
Repair/replace septic system & faucets	\$ 100
Coat tar roof	\$ 150
TOTAL	\$ 3,070

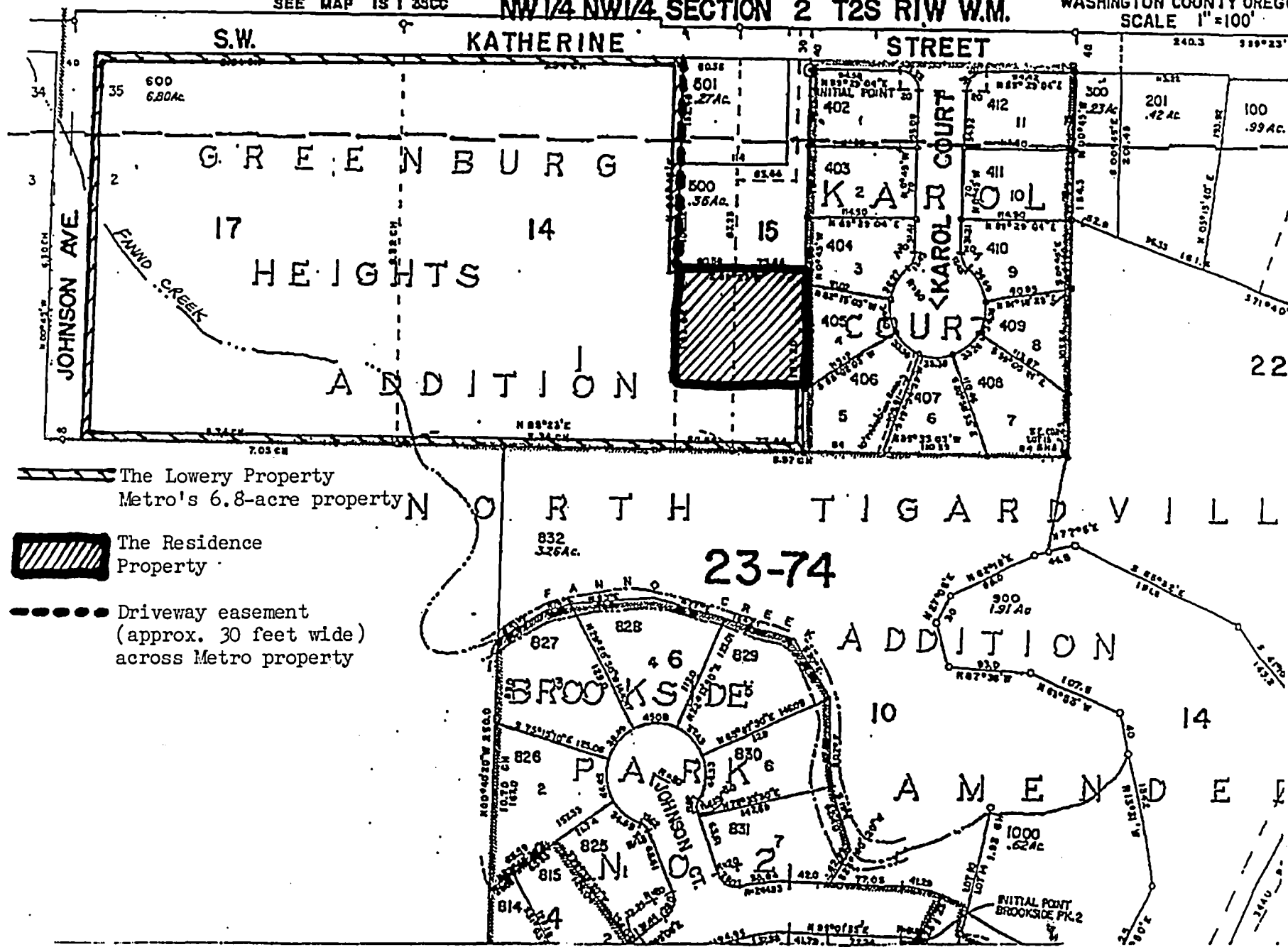
Rental Rate: \$550/month (\$6,600/yr)

## STATUS

The improvements listed above have been or are in the process of being made. The house is now rented with a tenant verbally committed to one year of occupancy. In the event additional deterioration of the house warrants significant investment, the return on the investment should not exceed the expected revenue for this one year period. At the end of one year, the house will be thoroughly inspected for required maintenance. In the event the house is no longer profitable to manage, Metro will demolish the house, restore the site, and convey the property to City of Tigard for management according to the Woodard Park Concept Master Plan.

Submitted by Jim Morgan

WASHINGTON COUNTY OREGON  
SCALE 1"=100'



## Plat Map

## **STAFF REPORT**

### **IN CONSIDERATION OF ORDINANCE NO. 02-939 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.01 TO AMEND THE METRO EXCISE TAX TO PROVIDE REVENUES FOR METRO'S REGIONAL PARKS AND GREENSPACES PROGRAMS.**

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Date: February 6, 2002

Prepared by: Charles Ciecko  
Terry Petersen

## **BACKGROUND**

Over the past several years, the Regional Parks and Greenspaces Department has assumed responsibility for an ever-growing portfolio of properties as a result of the continued successful implementation of the 1995 Open Spaces, Parks and Streams Bond Measure. In the last six years, the number of acres that the department manages has grown from 4,092 to over 10,800, an increase of over 170%.

When the bond measure was approved by Council for the ballot, it was clearly stated that the measure did not provide financial support for the maintenance of the lands that were to be acquired under this program. Council increased excise tax allocations to help offset some of these costs, but these contributions have not kept pace with the department's growing responsibilities.

This unprecedented expansion, combined with other factors such as the continued growth of fixed costs, declining interest earnings rates, inflation and the eminent exhaustion of open spaces bond funds are now converging to pose a real threat to the department's core mission and programs.

Beginning in Fiscal Year 1998-99, the adopted budget for the Regional Parks and Greenspaces Department anticipated the use of reserves (fund balance) to pay for current operating expenditures. At the same time, the department has endeavored to reduce the draw on these reserves, by:

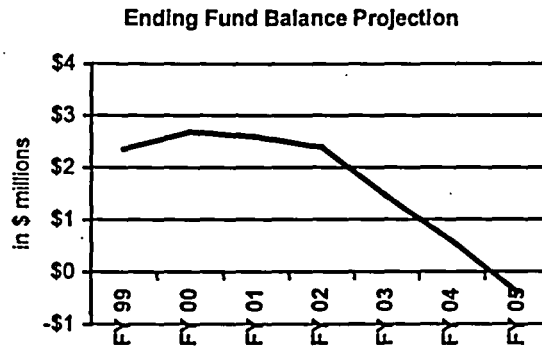
- ◆ Not increasing the number of full time positions in the department, even as acres and responsibilities have increased;
- ◆ Holding the total materials and services budget flat, at FY 98-99 levels;
- ◆ Deferring capital maintenance, with the FY 01-02 budget reduced to 25% of FY 98-99 levels;
- ◆ Eliminating the Blue Lake Concert Series, and delaying master planning for the Tualatin River Access Points;
- ◆ Delaying the filling of vacant staff positions to create salary savings;
- ◆ Reducing fleet costs; and
- ◆ Eliminating all non-essential out-of-state travel and conferences and significantly reducing in-state travel and conferences.

In addition to budget and expenditure reductions, actions have been taken to increase the revenues of the department:

- ◆ Dwellings on newly-acquired open space lands were leased, rather than demolished, resulting in an estimated \$260,000 annually;

- ◆ Staff has sought more grant funding, resulting in a more than doubling of grant revenue that is used to supplement on-going program expenditures and capital projects (about \$1 million in FY 01-02, compared to \$430,000 in FY 98-99); and
- ◆ Fee increases were implemented in several program areas, including Glendoveer Golf Course in 1999 and 2000, and cemeteries, picnic reservations and camping fees in 2001.

While these measures have delayed and, more recently, reduced the need to tap reserves, they cannot be viewed as permanent solutions to the need for long-term, stable funding to support basic parks programs and stewardship responsibilities. Even with these measures, the available reserves in the Regional Parks Fund are projected to be depleted in FY 04-05 as shown below:



## IMPLICATIONS OF NO ACTION

Unless additional funding is provided in the interim, the Regional Parks and Greenspaces Department will have to make serious programmatic reductions. Based on an analysis conducted in Spring 2001, the following will be required if funding is not secured to replace the use of reserves and cover the projected costs of inflation:

- ◆ All remaining special events, including the Salmon Festival at Oxbow Park and Especially for Kids at Blue Lake Park, will be eliminated;
- ◆ Most of the department's environmental education programs will be eliminated, severely impacting the Volunteer Naturalist Program and the more than 7,000 people who annually attend these programs – many of whom are local area school children;
- ◆ Habitat restoration projects and noxious weed control programs will be all but eliminated at our parks and new open space acquisitions;
- ◆ Deferred maintenance, already underfunded at all our facilities, will continue to be funded at 25% of FY 98-99 levels, causing the backlog of projects to grow and the ultimate cost of repair to increase.

## RECOMMENDED ACTION

To avoid these program reductions and decrease the use of reserves in the Regional Parks Fund to pay for current programs and service levels, the Executive Officer is proposing that the excise tax collected on solid waste be increased to provide an additional \$1.23 million in FY 2002-03, dedicated for use by the Regional Parks and Greenspaces Department for operational and maintenance activities as determined through the annual budgeting process. This increase would raise the per-ton excise tax on solid waste by one dollar (\$1) per ton. This revenue will increase annually at the rate of CPI.

The Executive Officer will recommend a budget to Council for the Regional Parks and Greenspaces Department that incorporates this additional revenue. The revenue is proposed to be expended for the following purposes:

♦ **1.0 FTE Natural Resources Stewardship Park Ranger**

**\*\* \$105,093 in FY03, continuing in future \*\***

Currently, only one Park Ranger is responsible for on-site daily land management activities on approximately 6,800 acres of open space acquisitions distributed widely across the region. Typical activities include:

- Securing access to Metro properties (i.e. construction and/or maintenance of fences, gates, roads);
- Response to emergency calls (i.e. thefts, criminal trespass, illegal hunting, vandalism);
- Correcting health and safety concerns (i.e. hazard trees, loose livestock, infrastructure failure/malfunction, wildfire prevention);
- Control of invasive vegetation and pest animals; and
- Supervision of volunteer work parties.

The addition of one more Park Ranger will reduce the accumulating backlog of land management needs that currently exist and help meet on-going demands in a more timely manner. Budget for this position includes salary and benefits (\$57,302), materials & services (\$6,000 vehicle costs, \$37,749 for building, grounds and equipment supplies and services, and contracted professional services) and contingency (\$4,042).

♦ **Eliminate Open Spaces Bond Fund support for Department Director, Department Finance Manager and Contract Administrator**

**\*\* \$51,703 in FY03, continuing in future \*\***

The Open Spaces, Parks and Streams Bond Measure included funds for administration of the implementation effort. During the implementation phase, the relevant portion of certain administrative positions have been billed to the Open Spaces Bond Fund. As the acquisition program winds down and the focus shifts from acquisition to land management, it is necessary to reallocate the costs of administrative functions accordingly.

Affected positions and the associated portions of salary and benefits are as follows:

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
10% of Department Director	15,255	16,019	16,820
25% of Department Finance Manager	21,125	22,181	23,290
25% of Department Contracts Administrator	15,323	16,089	16,893
<b>Total Administration Staff</b>	<b>51,703</b>	<b>54,289</b>	<b>57,003</b>

**NOTE:** This proposal does not affect any staff in the Open Spaces Acquisition Division. As indicated in the Council-adopted Open Spaces Implementation Work Plan, staff positions within the Open Spaces Acquisition Division are "limited duration" and will be eliminated when bond measure implementation is complete. Limited duration positions include: Division Manager, Senior Real Estate Negotiator, 2 Real Estate Negotiators, Secretary, Program Assistant II, and related positions in the Office of General Counsel.

♦ **Eliminate Open Spaces Bond Fund support for Natural Resources Stewardship and Property Management staff in FY05**

**\*\* \$73,131 in FY05, continuing in future \*\***

The Open Space, Parks and Streams Bond Measure included funds for a variety of short-term activities or projects required "to stabilize" properties following acquisition. Staff costs associated with "stabilization" projects have also been paid from bond funds.

"Stabilization" projects are carried out by certain members of the Natural Resources Stewardship and Property Management Program who are also responsible for the on-going day-to-day management of sites acquired with bond funds (landbanking). During the implementation phase, staff costs associated with "stabilization" have been billed to the Open Spaces Bond Fund. As "stabilization" activities wind down and staff focus shifts to on-going, day-to-day management, it is necessary to reallocate costs accordingly. Please note that the current level of bond funding is expected to continue through FY 2004-05. Affected positions and the associated portion of salary and benefits are as follows:

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
50% of Natural Resources Program Manager	0	0	52,416
25% of Property Manager	0	0	20,715
<b>Total Stabilization/Natural Resources Staff</b>	<b>0</b>	<b>0</b>	<b>73,131</b>

**NOTE:** This proposal does not affect any staff in the Open Spaces Acquisition Division. As indicated in the Council-adopted Open Spaces Implementation Work Plan, staff positions within the Open Spaces Acquisition Division are "limited duration" and will be eliminated when bond measure implementation is complete as noted above.

♦ **Maintain the Regional Trails Planner position and move to Planning & Education Division**

**\*\* \$46,100 in FY03 (50%), \$96,810 in FY04 (100%), continuing in future \*\***

For the past 6 years, Metro has focused its trail planning efforts primarily on those trail projects identified as target areas in the Open Spaces Bond Measure. This work has been funded with bond proceeds. To continue implementation of the Regional Trails Plan (part of the Regional Transportation Plan and Greenspaces Master Plan), it will be necessary for more comprehensive regional trail planning to take place since most regional trails are multi-jurisdictional and many jurisdictions do not have the capacity to provide the necessary planning functions. Therefore, the Metro Regional Trail Planner position would:

- Complete planning for and promotion of the Regional Trails Plan, a component of the Regional Framework Plan (Chapter 3) and of the Regional Transportation Plan;
- Perform planning functions for the Springwater Corridor project (Sellwood Bridge to McLoughlin Blvd. gap);
- Perform planning and coordination functions for the Fanno Creek Trail, Beaverton Powerline Trail, Tualatin River Trail, Willamette Greenway Trail, PTC Trail (Milwaukie to Gladstone) and other components of the Regional Trails and Greenways Map;
- Coordinate regional efforts to secure state and federal transportation funding and other outside resources for trail projects; and
- Participate in the design and implementation of Best Management Practices for regional trail design and construction to be consistent with Metro's Title 3 and Goal 5 efforts.

This proposal would formalize the Regional Trails Planner position in the Planning and Education Division, 50% in FY 2002-03 and 100% in subsequent years.



◆ **Create Volunteer Recognition and Recruitment Program**

**\*\* \$5,000 annually \*\***

The Department has effectively used volunteers for a variety of environmental education, maintenance, restoration and other projects using limited department resources. In 2001, 900 volunteers donated 10,000 hours inside the office and out at various parks and greenspaces sites throughout the region. This contribution is valued at approximately \$154,000. To maintain this type of program into the future, it is imperative that the Department establish a recognition program for these volunteers. Recognition expenses could include uniforms, plaques, framed certificates, gifts to celebrate years of service and/or hour milestones, birthday cards, volunteer newsletter, and events. Event costs would include food, decoration, facility rental, and invitations. Recruitment of new volunteers will always be necessary. Recruitment expenses could include newspaper and magazine ads, tabletop exhibit, brochures targeting specific positions and/or divisions, Metro website enhancement, and website banner ads. This program will be administered by existing staff in the Planning and Education Division.

◆ **Restore the 0.33 FTE Seasonal Employee at Smith & Bybee Lakes Wildlife Area**

**\*\* \$6,572 in FY03 only \*\***

One seasonal position is typically filled from May through October, when maintenance and field work needs are greatest. Because of the significant decrease in interest earnings expected in the Smith & Bybee Lakes Fund, the fund is unable to cover these costs. Subsequently, the Department's proposed budget eliminated this position. This employee performs baseline maintenance at the wildlife area such as garbage pickup, tree and shrub pruning, trail maintenance and security patrols of the public use areas of the wildlife area. In addition, this employee assists the Wildlife Area Manager with wildlife and plant surveys that are used to monitor the success of restoration projects. This employee creates a "Metro presence" at the wildlife area 3-4 days per week, answering visitors' questions and increasing general security.

◆ **Deferred Maintenance**

**\*\* \$175,000 in FY03, \$125,000 in FY04 and thereafter \*\***

An update to the Department's Unfunded Deferred Maintenance assessment was completed in March 2001 listing several dozen deferred capital maintenance projects at a variety of facilities totaling over \$2.9 million. The size of projects on this list varies, with major projects such as the automation of the irrigation system at Blue Lake Park to reduce labor intensive manual watering and conserve water, and the replacement of deteriorated picnic shelters at Oxbow Park. While the requested increase will not be enough to complete these major projects, there are smaller, but no less important, projects that could be completed with the proposed increase. Examples of projects include:

- New playground equipment at Blue Lake Park to eliminate current hazardous and non-ADA compliant metal and concrete play structures.
- Replace 100 picnic tables at Oxbow Park and Blue Lake Park with metal frame and wood tops/benches. This will reduce the risk exposure from old wood tables, reduces maintenance costs and improves overall park appearance.
- Replace non-functional entry/exit gate at Chinook Landing. Closing the facility at night will deter after hour use and reduce the risk of vandalism and other illegal/inappropriate activities.

◆ **Natural Resource Stewardship – Restoration Projects**

**\*\* \$75,000 Annually \*\***

The current stewardship activities for Metro-owned natural areas are very limited, equating to the basics of nuisance control and weed abatement required by state law and by our responsibility to be good neighbors to surrounding property owners. Much more needs to be done to ensure that these properties are not degraded and that restoration activities are initiated.

Funds will be used for habitat restoration activities. It is assumed that these funds will be used as matching funds for Federal and State grant applications to "grow the pot" of restoration money available. The additional support will be used for the following:

- Reduce the spread of invasive species by re-establishing diverse native plant communities and restoring historic hydrologic conditions to benefit a variety of native fish and wildlife including sensitive, rare and threatened species;
- Maintain the significant investment in reforestation projects which have already been completed;
- Provide opportunities for continued community involvement in natural resource stewardship; and
- Attract outside funding and partners for natural resource protection projects.

◆ **Continued funding for National Fish & Wildlife Foundation Partnership**

**\*\* \$100,000 in FY04, continuing thereafter \*\* (tentative)**

Beginning in FY2002-03, the Department anticipates a new partnership with the National Fish & Wildlife Foundation to create a regional program focused on restoration projects in parks and open spaces designated as components of the Regional System as articulated in Chapter 3 of the Regional Framework Plan. This partnership will leverage Metro's contribution 2-to-1, effectively tripling the amount of restoration activities that Metro can effectuate.

Goals of the partnership include:

- To fund habitat protection and restoration projects conducted by Metro and other local partners that provide substantial benefit to wildlife habitats located in Multnomah, Washington, and Clackamas Counties;
- To engage citizens, businesses, and community groups in our region in environmental stewardship and education projects that attempt to correct the decline of wildlife habitat;
- To stimulate creativity and leadership among community groups to address conservation needs and encourage active community stewardship of protected lands; and
- To target groups that can be particularly helpful in conserving rare habitat types, including farmers, homeowners, government officials, nonprofit organizations, and business owners.

The Department's Proposed Budget includes funding for this program in FY2002-03. This proposal continues funding for this program into years FY04 and FY05.

◆ **Renewal and Replacement Funding**

**\*\* \$85,000 Annually \*\***

New capital policies adopted by the Metro Council require the department to plan for the renewal and replacement of its facilities and other depreciable assets. The Department, up to this point, has not reserved any resources for the purpose of renewal and replacement. The allocation proposed here will not fully fund the Renewal and Replacement needs of the department, but will be a step in the right direction for the future maintenance and replacement needs of fixed assets.

◆ **Reduce Use of Financial Reserves from the Regional Parks Fund**

**\*\* \$579,860 in FY03, continuing in future \*\***

For FY 2002-03, the Department Proposed Budget uses \$1,050,570 of fund balance to maintain current service levels. Excluding project carry forward and contingency, the real impact to fund balance is anticipated to be \$870,427. This proposal will decrease the draw on fund balance to approximately \$290,000 in FY 2002-03.

♦ **Reduce Use of Financial Reserves from the Smith & Bybee Lakes Fund**

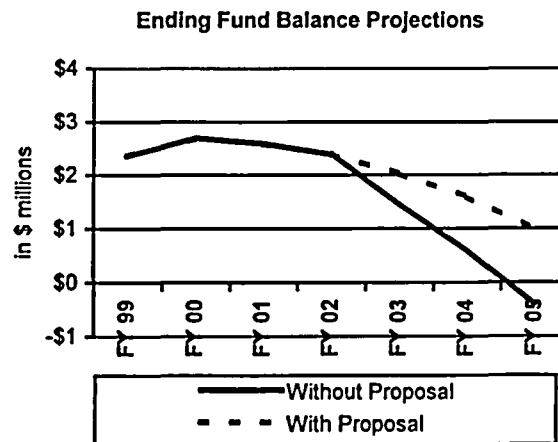
**\*\* \$100,672 in FY03 only \*\***

As a matter of sound financial practice, the Department attempts to use only interest earnings from this fund to pay for operational expenses at Smith & Bybee Lakes Wildlife Area. However, the estimated interest earnings rate for next year (estimated at just 1.5%) results in a decrease of roughly 75% of normal operational revenues. Despite significant reductions in expenditures, the use of \$100,000 of fund balance is necessary just to provide basic maintenance services and support the existing 1.5 FTE in this program. This proposal eliminates draw on fund balance and preserves the principal in the fund. Financial support for this fund is only necessary for FY 2002-03. It is anticipated that interest rates will increase in subsequent years and the support will not be necessary on an ongoing basis.

**NOT A LONG TERM REMEDY**

This proposal is intended to be an interim step. It is designed to stabilize Regional Parks funding for current programs while addressing some immediate programmatic needs that have been deferred for some time. This proposal does not provide for all of the programmatic needs. Specifically, it does not provide support for Master Planning, nor does it provide support to develop, operate or maintain new sites or trails for public use as recommended by the Green Ribbon Committee. The proposal does not address any of the recommendations of the MPAC Parks Report (dated April 4, 2001). It does not fully fund renewal and replacement or provide for education and incentives for private land owners in critical natural resources areas.

The use of reserves (fund balance) to pay for current operating expenditures will continue under this proposal, but at a slower rate than the current projection:



This proposal is a modest interim measure designed to stabilize funding for current programs until a new proposal addressing long term needs can be developed and implemented.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

No known opposition.

### **2. Legal Antecedents**

Metro Code Chapter 7.01 sets forth the provisions of the Metro Excise Tax.

### **3. Anticipated Effects**

Based on the projected solid waste revenue base in FY 2002-03, the proposed \$1.23 million of new revenue would increase the per-ton excise tax rate by one dollar (\$1) per ton. As of this writing, the excise tax rate on solid waste is expected to increase from the current \$5.04 per ton to \$5.39 per ton during FY 2002-03. (This rate will be reviewed and finalized in March 2002.) If this ordinance is approved, that rate would rise to \$6.39 per ton.

**Effect on Metro Tip Fee.** When calculating the Metro tip fee, the excise tax is added on to the solid waste rate base. That rate will be \$59.84 in FY 2002-03 (per Ordinance No. 01-918A, approved October 25, 2001). With a \$5.39 excise tax, the total tip fee will be \$65.23. If this ordinance is approved, the excise tax would go to approximately \$6.39, and accordingly, the tip fee would be a dollar higher, at \$66.23.

**Effect on non-Metro Tip Fees.** The excise tax at disposal sites that are not owned by Metro (e.g., Forest Grove Transfer Station and Lakeside Reclamation Landfill) would likewise increase by \$1 per ton. Although many non-Metro facilities set their own rates and are free to absorb as much or as little of the excise tax as they wish, historically, all of the tax has been passed on to the rate payers. Accordingly, the tip fees at non-Metro facilities can be expected to rise by \$1 per ton due to approval of this ordinance. Currently, non-Metro tip fees range from about \$22 per ton to \$66 per ton including excise tax.

**Effect on Material Recovery Facilities.** Because the excise tax is levied on waste that is landfilled, the excise tax is a cost to material recovery facilities (MRFs). However, to ease the tax burden and support recycling goals, the Council discounts the excise tax on MRFs up to 45%, based on the facility's recovery rate. At present, the average excise tax discount over all MRFs is 30%. If there is no change in recovery performance, the \$1 increase will be discounted at the same rate, meaning that the effect of this ordinance will be to raise the average cost of disposal by 70¢ (\$1.00 - \$0.30) per outgoing ton at material recovery facilities.

### **4. Budget Impacts**

The approval of this ordinance will provide an additional \$1.23 million to the Regional Parks Fund, increasing annually at the rate of CPI. The revenue will be available for expenditure upon Council adoption of a budget for the affected funds. This action in and of itself does not authorize the expenditure of this new revenue.

## **RECOMMENDED ACTION**

The Executive Officer recommends passage of Ordinance No. 02-939

**Regional Parks Fund**  
**Fund Balance Reserve Requirements**

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**What is the minimum Fund Balance reserve that the Regional Parks Fund should have to maintain fiscal prudence?**

There are several ways to answer this question. Presented here are two different ways to determine what the minimum amount of reserve is.

**Option 1 – Cash Flow Needs**

The enterprise revenues in the Regional Parks Fund tend to be cyclical, with higher revenues in the summer months and lower revenues in the winter. Expenditures are also cyclical, but do not vary as much as revenues. This disparity creates a situation where in the summer months, there are more revenues than expenditures. In the winter months, there are more expenditures than revenues.

A cash flow analysis answers the question, “How much cash does the fund need to have on hand to ensure that there is adequate cash, on a daily basis, to meet the expenditure needs, especially when expenditures are exceeding revenues?”

In Fiscal Year 2000-01, the Regional Parks Fund needed to have just over \$961,000 in cash reserves to ensure that there was adequate cash in December and January to meet operational expenditure needs.

**Option 2 – A Three-Month Operating Reserve**

Metro currently does not have a specific financial policy stating guidelines for determining the appropriate fund balance level for its general and special revenue funds. However, one such policy may be to maintain a fund balance reserve adequate to meet unanticipated service needs. This policy can be operationalized by saying that the fund should have a reserve adequate to pay for three months of operating expenditures. For the Regional Parks Fund in FY 2000-01, a three-month operating reserve equates to a range of between \$944,000 and \$1,400,000.

Based on review of these two different options, the department management believes that a fund balance reserve of \$1 million would be a minimally fiscally prudent amount.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 02-939
CODE CHAPTER 7.01 TO AMEND THE	)	
METRO EXCISE TAX TO PROVIDE	)	Introduced by:
REVENUES FOR METRO'S REGIONAL	)	Mike Burton, Executive Officer
PARKS AND GREENSPACES PROGRAMS	)	

WHEREAS, In July 1992, the Metro Council adopted the Metropolitan Greenspaces Master Plan (Resolution No. 92-1637) that identifies a desired regional system of parks, natural areas, trails and greenways for fish, wildlife and people; and,

WHEREAS, The Metropolitan Greenspaces Master Plan states Metro will seek a regional funding mechanism to assemble and develop a regional greenspaces system and assume operations and management responsibility for components of the system in cooperation with local governments; and,

WHEREAS, In December 1997, the Metro Council adopted the Regional Framework Plan (Resolution No. 97-715B) that set regional policy to inventory, protect and manage a regional system of parks, natural areas, trails and greenways for fish, wildlife and people; and,

WHEREAS, The Regional Framework Plan states (3.3.10) Metro, in cooperation with local governments, shall pursue the identification and implementation of a long term, stable funding source to support the planning, acquisition, development, management and maintenance of the regional greenspaces system; and,

WHEREAS, Metro has acquired over 7,100 acres of metropolitan greenspaces with funds from the Open Spaces, Parks and Streams bond measure of 1995; and,

WHEREAS, The cost of managing these acquired lands exceeds current resources; and,

WHEREAS, The Regional Parks and Greenspaces Department currently has about \$3 million in unfunded deferred maintenance projects at existing park facilities; and,

WHEREAS, The Regional Parks and Greenspaces Department cannot sustain current levels of service or growing responsibilities without additional funding sources; and,

WHEREAS, an interim financial solution is necessary until a voter-approved long-term solution is realized, and support of the Regional Parks and Greenspaces Department is an allowable use of excise tax under the Metro Charter; and,

WHEREAS, this ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.01.020 is amended to read:

**7.01.020 Tax Imposed**

(a) For the privilege of the use of the facilities, equipment, systems, functions, services, or improvements owned, operated, certified, licensed, franchised, or provided by the district, each user except users of solid waste system facilities shall pay a tax of 7.5 percent of the payment charged by the operator or the district for such use unless a lower rate has been established as provided in subsection 7.01.020(b). The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) or in subsections 7.01.020(c)-(e) by so providing in an ordinance adopted by the district. If the council so establishes a lower rate of tax, the executive officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the council as provided for herein.

(c) For the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each user of solid waste system facilities and each solid waste facility licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contractor for disposal of putrescible waste shall pay a tax in the amount calculated under subsection (e)(1) for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro South stations and source separated recyclable materials accepted at the solid waste system facilities. In addition, each user of solid waste system facilities and each solid waste facility licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contractor for disposal of putrescible waste shall also pay the additional tax in the amount set forth under Section 3 of this Ordinance for each ton of solid waste exclusive of compostable organic waste accepted at Metro Central or Metro

South stations and source separated recyclable materials accepted at the solid waste system facilities. The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(d) For the Metro fiscal year beginning July 1, 2002, the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue of \$6,050,000 after allowing for any tax credit or tax rebate for which provision is made in this chapter. For each Metro fiscal year thereafter the tax rate imposed and calculated under this section shall be sufficient to generate net excise tax revenue equal to the net excise tax revenue authorization in the previous fiscal year as adjusted in accordance with Section 7.01.022.

- (e) (1) The excise tax rate for each ton of solid waste, exclusive of (i) source separate recyclable materials accepted at the solid waste system facilities, (ii) inert materials, (iii) Cleanup Materials Contaminated by Hazardous Substances, and (iv) compostable organic waste delivered to Metro Central or Metro South stations, shall be the amount that results from dividing the net excise tax revenue amount set forth in sub-section (d) by the amount of solid waste tonnage which the Executive Officer reports to the Council under sub-section (f)(2). Subject to the provisions of subsection 7.01.020(b), the rate so determined shall be the district's excise tax rate on solid waste during the subsequent Metro fiscal year.
- (2) The excise tax rate for each ton of solid waste constituting Cleanup Materials Contaminated by Hazardous Substances shall be \$1.00.

(f) By December 1, 2000 and by March 1st of each year thereafter, the Executive Officer shall provide a written report to the Metro Council stating the following:

- (1) For the twelve-month period ending the previous December 31; the amount of solid wastes, exclusive of inert materials, delivered for disposal to any Solid Waste System Facility that is not exempt pursuant to section 7.01.050(a) of this chapter, and
- (2) The amount of such solid wastes that would have been delivered for disposal to any such non-exempt Solid Waste System Facility if the Regional Recovery Rates corresponding to each calendar year set forth on the following schedule had been achieved:



Year	Regional
	Recovery Rate
1999	43%
2000	46%
2001	48%
2002	50%
2003	52%
2004	54%
2005	56%

The result of such calculation by the Executive Officer shall be used to determine the excise tax rate under sub-section (e)(1).

(g) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(e)(1) for disposal of Processing Residuals from such facility. The Facility Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. Such credit shall be dependent upon the Facility Recovery Rate achieved by such facility and shall be equal to the amount resulting from reducing the Excise Tax due by the percentage reduction corresponding with the Facility Recovery Rates provided on the following table:

Excise Tax Credit Schedule		
Facility Recovery Rate		Excise Tax Credit
From Above	Up To & Including	
0%	25%	0%
25%	30%	4%
30%	35%	10%
35%	40%	20%
40%	45%	33%
45%	100%	45%

**SECTION 2.** Section 3 of this Ordinance is added to and made a part of Metro Code chapter 7.01

**SECTION 3. Amount of Additional Excise Tax; Budgeting of Additional Revenue for Regional Parks and Greenspaces Programs.**

Commencing with the Metro fiscal year beginning July 1, 2002, the additional excise tax authorized in Section 7.01.020(c) shall be \$1 per ton. Such additional excise tax shall be dedicated to funding Metro's Regional Parks and Greenspaces programs. For each fiscal year thereafter, the additional excise tax dedicated to Metro's Regional Parks and Greenspaces programs shall be not less than the amount of the additional excise tax in the previous fiscal year increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Salem (All Urban Consumers) reported for the first six months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued, or such lesser amount as the Executive Officer deems appropriate. .

**SECTION 4.** Section 5 of this Ordinance is added to and made a part of Metro Code chapter 7.01

**SECTION 5. Repeal of Provisions Setting Amount of Additional Excise Tax and Budgeting of Revenue for Regional Parks and Greenspaces Programs**

Section 3 of this Ordinance is repealed at the end of any Metro fiscal year during which any initiative or referendum is adopted by a majority of electors that specifically provides for (a) revenue funding for operations of the Metro Regional Parks and Greenspaces programs in an amount not less than that raised under in Section 3 of this Ordinance; and (b) the repeal of Section 3 of this Ordinance.

**SECTION 6.** Metro Code Section 7.01.022 is amended to read:

**7.01.022 Consumer Price Index Adjustment**

Commencing with the Metro fiscal year beginning July 1, 2003, and each year thereafter, the amount of revenue to be generated by the taxes imposed by Section 7.01.020(c) shall be the amount of tax revenue authorized in Section 7.01.020(d) for the previous fiscal year increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Salem (All Urban Consumers) reported for the first six months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued, or such lesser amount as the Executive Officer deems appropriate.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Carl Hosticka, Presiding Officer

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

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**Metro Regional Parks and Greenspaces Advisory Committee**  
600 NE Grand Avenue  
Portland, OR 97232

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March 5, 2002

Carl Hosticka, Presiding Officer  
Metro Council  
600 NE Grand Ave.  
Portland, OR 97232

Dear Councilor Hosticka:

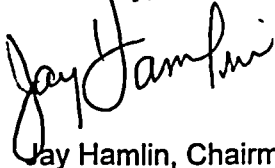
On behalf of Metro's Regional Parks and Greenspaces Advisory Committee (RPAGAC), I'm writing to urge your support for Ordinance No. 02-939. In the past few years, the RPAGAC has been deeply concerned about the need to identify an adequate and reliable source of funds to sustain and build on the success of Metro's parks department. A funding source of this kind hasn't been found and as a consequence the programs, planning and management of the region's parks and greenspaces are now at risk.

Department staff have worked hard to reduce expenses and find new revenue sources. However, the department's responsibilities have significantly outpaced its ability to find adequate funding to provide basic program services and manage its growing inventory of land (4,100 acres to 11,000 in the last 6 years). The department is now forced to draw on its Park Fund balance at an alarming rate to make ends meet and could deplete these reserves by the end of 2004.

Ordinance No. 02-939 would raise the solid waste excise tax to help Metro's Regional Parks and Greenspaces Department. We believe the citizens of the Metro region would be willing to pay 5¢ per month for a 32-gallon can to keep Metro's current programs viable and to protect the investments made to date. We think it's a small price to pay.

As you know, this is only a temporary remedy to a serious threat that would hamper or unravel the work that has been done to build a green legacy for the fish, wildlife and people of the region. It's a remedy that will offer Metro Council the time necessary to work with local governments, community leaders and citizens to identify a long-term solution to adequately support our parks, greenspaces and trails. The RPAGAC urges a yes vote for Ordinance No. 02-939.

Sincerely,



Jay Hamlin, Chairman  
Metro Regional Parks and Greenspaces Advisory Committee

cc: Councilors Atherton, Bragdon, Burkholder, McLain, Monroe and Park

*Run to speaking points for MB*

## **INCREASING SOLID WASTE EXCISE TAX FOR PARKS: THE BASICS**

### **WHY**

Over the past several years, the Regional Parks and Greenspaces Department assumed responsibility for over an ever-growing portfolio of properties from a very successful land acquisition program funded from the Open Spaces Parks and Streams bond measure of 1995. In the last six years, the **number of acres that the department manages has grown from 4,100 to nearly 11,000 acres (>170% increase).**

When Metro Council referred the bond measure, it was clearly stated it **did not provide financial support for the care and management of acquired lands.** As an interim measure, Council increased excise tax allocations to help off set some of these costs, but these funds have not kept pace with the department's growing land management and associated responsibilities.

In addition to this unprecedented expansion in responsibility, there has been **annual increases of internal, indirect costs (about 11% per year), declining interest rate earnings on trust funds (e.g. S/B Lakes Trust Fund) and the eminent exhaustion of the open spaces bond funds** that now pose a real threat to the department's core mission and programs.

Since FY98/99, the adopted budget for the Regional Parks and Greenspaces Dept. has **drawn down reserve fund balance to pay for operating expenses and balance the budget.**

### **REDUCING EXPENSES AND FINDING NEW REVENUE**

To minimize reliance on reserve fund balance, department staff has worked to **reduce expenses** by:

- Not increasing the number of full time positions in the department, even as acres and land management responsibilities have increased significantly;
- Holding the total materials and services budget flat, at FY 98-99 levels;
- Deferring capital maintenance, with the FY 01-02 budget reduced to 25% of FY 98-99 levels;
- Eliminating the Blue Lake Concert Series, and delaying master planning for the Tualatin River Access Points;
- Delaying the filling of vacant staff positions to create salary savings;
- Reducing fleet costs; and
- Eliminating all non-essential out-of-state travel and conferences as well as significantly reducing in-state travel and conferences.

#### **New revenue sources identified include:**

- Dwellings on newly-acquired open space lands were leased, rather than demolished, resulting in an estimated \$260,000 annual revenue;
- Staff has sought more grant funding, resulting in a more than doubling of grant revenue that is used to supplement on-going program expenditures and capital projects (about \$1 million in FY 01-02, compared to \$430,000 in FY 98-99); and
- Fee increases were made in several program areas, including Glendoveer Golf Course, cemetery services, picnic reservations and camping fees.

While these measures have delayed and reduced the need to rely on reserve fund balance, it does not address the need for permanent, long-term, stable funding to support basic parks programs and stewardship responsibilities. **Even with these measures, the available reserves in the Regional Parks Fund are projected to be depleted in FY 04-05.**

#### **WHAT HAPPENS IF NOTHING IS DONE**

Unless additional funding is provided soon, the Regional Parks and Greenspaces Department will need to make serious program and related personnel reductions, including:

- **Elimination of all existing special events** such as the Salmon Festival at Oxbow Park, Naturally for Kids at Blue Lake Park and River Reach at Chinook Landing;
- **Elimination of most department environmental education programs** that currently serve over 10,000 people each year— many of whom are local area school children;
- **Significant reduction in habitat restoration projects and noxious weed control** at Metro's parks and open space acquisitions;
- **Deferred maintenance continued funding at 25% of FY 98-99 levels**, resulting in the project backlog of projects to exceed the current \$3 million level;
- **Loss of the growing momentum and citizen support to establish a regional greenspaces system.**

#### **RECOMMENDED PROPOSAL**

The Executive Officer is proposing that the **excise tax collected on solid waste be increased to provide an additional \$1.23 million in FY 2002-03, dedicated for use by the Regional Parks and Greenspaces Department for operational and maintenance activities** as determined through the annual budgeting process. This increase would raise the per-ton excise tax on solid waste by **one dollar (\$1) per ton**. If this ordinance is approved, the tax rate would rise to \$6.39 per ton during FY 2002-03. The Executive Officer will recommend a balanced budget to Metro Council for the Regional Parks and Greenspaces Department that incorporates this additional revenue.

## **WHAT THE FUNDS WILL DO**

Metro staff members are available to discuss in detail how these additional funds will be allocated to support personnel, programs, capital maintenance and financial management strategies in Metro's parks department. In general, the funds will be used to:

- Reduce the department's reliance on reserve funds to balance the budget for current levels of service;
- Facilitate the department's transition from a land acquisition focus to a land management focus;
- Provide a modest increase in funds dedicated to deferred maintenance;
- Support a new partnership with the National Fish and Wildlife Foundation to leverage matching federal dollars for local habitat restoration projects (Metro's contribution matched 2 to 1);
- Establish a renewal and replacement capital fund.

## **WHAT THE FUNDS WILL NOT DO**

This is **not a permanent solution** to the funding issues facing Metro's parks department. It's a proposal intended to be **an interim step** to seeking long-term, stable funding for the department and its mission to establish a cooperative, regional greenspaces system that provides healthy habitats for fish and wildlife and nature-based recreation for people of the region. It also:

- Does not provide funding for **any of the Green Ribbon Committee's recommendations** for future new park and trail development projects.
- Does not provide support for **master planning** of specific open space sites (e.g. Tualatin River access)
- Does not **eliminate dependence on the department's reserve fund** to maintain current levels of service;
- Does not fully fund **renewal and replacement needs** or make significant progress in reducing the nearly \$3 million in **deferred maintenance projects**;

## **CONCLUSION**

This proposal is only a temporary remedy to a serious threat that would hamper or reverse the work that has been accomplished to build a green legacy for the creatures and people of the region. It's a remedy that will offer Metro Council the time necessary to work with our local government partners, community leaders and citizens to identify a long-term solution to adequately support our parks, greenspaces and trails.



METRO

February 26, 2002

Dear Friend,

On February 8, 2002, I wrote and asked for your support of my proposal to modestly raise the solid waste excise tax to help sustain Metro Regional Parks & Greenspaces current programs and stewardship activities at recently acquired open space sites.

My proposal has now been scheduled for Metro Council consideration. The schedule for Council Committees and full Council deliberations is listed below for your information:

- Wednesday, March 6, 1:00 pm, Natural Resources Committee \*
- Wednesday, March 6, 3:30 pm, Solid Waste Committee \*
- Thursday, March 14, 2 pm, Metro Council (decision possible)
- Wednesday, March 20, 1:00 pm, Natural Resources Committee (if necessary)
- Wednesday, March 20, 3:30 pm, Solid Waste Committee (if necessary)
- Thursday, March 28, 2:00 pm, Metro Council (if necessary)

All meetings will be held in the Metro Council Chambers, 600 NE Grand Ave, Portland, OR 97232.

If your schedule permits, I urge you to attend one of the meetings marked with an asterisk. If you are unable to attend, please write (address noted above) or e-mail the Metro Council at [metro.council@metro.dst.or.us](mailto:metro.council@metro.dst.or.us) to express your opinion.

The proposed increase in solid waste excise tax will generate an estimated \$1.18 million in FY 02-03 (down slightly from our previous estimate due to an up-dated tonnage forecast). The expected impact on curbside garbage service is approximately \$.05 per month for a 32-gallon can. I hope you will agree that this is a small price to support current park programs and protect the investment we have made in open space acquisitions.

I know many of you have already contacted Metro Councilors expressing your support for my proposal. Thank you very much for your timely action. I know others have questions about details of the proposal. Towards that end, I'm attaching the proposed Ordinance and staff report. If you have questions, please contact Regional Parks & Greenspaces director, Charles Ciecko at 503.797.1843 or e-mail: [cieckoc@metro.dst.or.us](mailto:cieckoc@metro.dst.or.us).

Again, thank you for your support!

Sincerely,

Mike Burton  
Executive Officer



Note: At the RPAGAC Feb 5 meeting, committee members requested staff provide them with contact information on when and to whom they might offer written comments or public testimony on Mike Burton's proposal to increase solid waste excise tax as a revenue source for Parks.

## Regional Parks and Greenspaces Advisory Committee Roster

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### METRO COUNCIL INFO BY DISTRICT

District # 1 (Chris Noble)

Councilor Rod Park

503.797.1547

[parkr@metro.dst.or.us](mailto:parkr@metro.dst.or.us)

District # 2 (Sylvia Milne)

Councilor Bill Atherton - also Solid Waste & Recycling Committee Chair

503.797.1887

[athertonb@metro.dst.or.us](mailto:athertonb@metro.dst.or.us)

District # 3 (Vacant)

Councilor Carl Hosticka - also Metro Council Presiding Officer

503.797.1549

[hostickac@metro.dst.or.us](mailto:hostickac@metro.dst.or.us)

District # 4 (Jay Hamlin-Chair)

Councilor Susan McLain - also Natural Resources Committee Chair  
and Metro Council Liaison

503.797.1553

[mclains@metro.dst.or.us](mailto:mclains@metro.dst.or.us)

District # 5 (David Manhart)

Councilor Rex Burkholder

503.797.1546

[burkholderr@metro.dst.or.us](mailto:burkholderr@metro.dst.or.us)

District # 6 (Aleta Woodruff)

Councilor Rod Monroe

503.797.1552

[monroer@metro.dst.or.us](mailto:monroer@metro.dst.or.us)

District # 7 (Rebecca Banyas)

Councilor David Bragdon

503.797.1889

[bragdond@metro.dst.or.us](mailto:bragdond@metro.dst.or.us)

Metro Council Office: phone - 503.797.1540, fax# - 503.797.1793

Council Office e-mail address - [metrocouncil@metro.dst.or.us](mailto:metrocouncil@metro.dst.or.us)

***RPAGAC members representing areas of Multnomah, Clackamas, Washington and Clark counties outside the Metro boundary may choose to contact Presiding Officer Hosticka or any of the above listed Councilors.***

**Schedule for Council Committees and full Council deliberations  
listed below for your information:**

- Wednesday, March 6, 1:00 pm, Natural Resources Committee \*
- Wednesday, March 6, 3:30 pm, Solid Waste Committee \*
- Thursday, March 14, 2 pm, Metro Council (decision possible)
- Wednesday, March 20, 1:00 pm, Natural Resources Committee (if necessary)
- Wednesday, March 20, 3:30 pm, Solid Waste Committee (if necessary)
- Thursday, March 28, 2:00 pm, Metro Council (if necessary)

All meetings will be held in the Metro Council Chambers, 600 NE Grand Ave, Portland, OR.

\* Meetings at which testimony may make the most impact.



