

MINUTES OF THE COUNCIL
OF THE METROPOLITAN SERVICE DISTRICT
SEPTEMBER 3, 1981

Councilors in Attendance

Presiding Officer Jack Deines
Vice Presiding Officer Betty Schedeen
Coun. Cindy Banzer
Coun. Craig Berkman
Coun. Ernie Bonner
Coun. Mike Burton
Coun. Bruce Etlinger
Coun. Marge Kafoury
Coun. Corky Kirkpatrick
Coun. Bob Oleson
Coun. Jane Rhodes
Coun. Charles Williamson

In Attendance

Executive Officer Rick Gustafson

Staff in Attendance

Teri Anderson
Richard Brandman
Andy Cotugno
Doug Drennen
Sue Haynes
Jill Hinckley
Andy Jordan
Dennis O'Neil
Sonnie Russill
Jennifer Sims

Visitors in Attendance

Jim Johnson, Jr., Oregonians for Clean Air	Tom Dennehey
Robert Hansen	Jean Orfutt
Robert F. Tilley, Oregonians for Clean Air	Several other unidentified
Sue Zioko, Oregonians for Clean Air	visitors
Ken Bunker	
Ethan Seltzer	
Bob Weil	
Frank Schmidt	
Bob Randall	
John Wooten	

Smith Barney, Harris Upham & Co., Inc.

CALL TO ORDER

After declaration of a quorum, Presiding Officer Deines called the meeting to order at 7:35 PM in the Council Chamber, 527 SW Hall St., Portland, Oregon.

1. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

Jim Johnson, Robert Tilley and Sue Zioko, representing Oregonians for Clean Air, spoke in opposition to the Resource Recovery Plant in Oregon City.

2. CONSENT AGENDA (Items 2.1 thru 2.13)

Chairman Deines stated that Item 2.4, Joint Resolution No. 81-274, had been removed from the consent agenda as the item will be submitted to JPACT prior to requesting Council approval.

Coun. Banzer requested that Items 2.11 and 2.12 (Res. #81-271 and #81-272) be removed from the consent agenda and considered after the ordinances on the agenda.

Motion to adopt the remainder of the consent agenda; carried unanimously.
(Kirkpatrick/Kafoury)

SMITH BARNEY PRESENTATION - PROPOSED FINANCING OF RESOURCE RECOVERY FACILITY

Frank Schmidt, Bob Randall, and John Wooten of Smith Barney, Harris Upham and Co., Inc., were present to inform Council and others in attendance of the advantages and disadvantages of complete revenue bond financing (Metro ownership) vs. private ownership of the Resource Recovery facility. Following is a brief outline of the presentation:

Total Construction Cost	\$171,105M
Principal Amount of Bonds	\$261,970M

Tip Fee Comparison

100% Revenue Bond Financing (Metro Ownership)

Approx. \$48.00/ton tip fee required and price will decrease over the life of the bond.

Private Ownership

Approx. \$10.00/ton tip fee and increasing over the years in relation to increases in inflation, maintenance & operating costs, etc.

Revenue per Ton

100% Revenue Bond Financing (Metro Ownership)

Approx. \$30M from energy and material revenue, increasing over the life of the bond. Approx. \$50M per ton from tip fee, decreasing over the life of the bond.

SMITH BARNEY PRESENTATION - PROPOSED FINANCING OF RESOURCE RECOVERY FACILITY (cont'd)

Revenue per Ton (cont'd)

Private Ownership

Approx. \$5M State tax credit for 10 years. Approx. \$35M from Revenue Stabilization Fund, decreasing over a 15-year period. Approx. \$25M Energy and Material Revenue, increasing over the life of the bond. Approx. \$15M tip fee, increasing over the life of the bond, corresponding to inflation, operation and maintenance costs, etc.

Cost per Ton

100% Revenue Bond Financing (Metro Ownership)

Approx. \$55M debt service per year for the life of the bond. Approx. \$25M operation and maintenance costs over the life of the bond.

Private Ownership

Approx. \$59M debt service for first 14 years, then increasing over the life of the bond. Approx. \$22M operation and maintenance costs, increasing over the life of the bond.

Tip Fee Revenues Required

<u>100% Revenue Bond Financing (Metro Ownership)</u>	\$206,494M
<u>Private Ownership</u>	\$102,806M

Financial Savings

Available only under private ownership:

Depreciation	\$52,265M
Federal Tax Credits	36,531M
State Tax Credits	15,088M

Presiding Officer Deines stated there would be a short break at 8:50 PM. The meeting reconvened at 9:05 PM. Couns. Burton, Berkman and Kafoury left the building during the recess.

3.1 ORDINANCE NO. 81-111

Motion to amend Ordinance No. 81-111 to allow a franchise holder to also be a hauler and provide that Metro would run the gate under such circumstances (Rhodes/Oleson); failed by the following roll call vote:

YEAS: Rhodes, Oleson
NAYS: Williamson, Kirkpatrick, Schedeen, Bonner, Banzer, Etlinger
ABSENT: Berkman, Kafoury, Burton

3.1 ORDINANCE NO. 81-111 (cont'd)

Motion to adopt the five staff recommendation (already incorporated into the ordinance); carried unanimously. (Banzer/Williamson)

Motion to adopt Gary Newbore's amendment to Subsection 8(6) as follows (Banzer/Etlinger):

"Subsection 8 (6) (a) To ensure a sufficient flow of solid waste to the District's resource recovery facilities, the Council may, upon thirty (30) days' prior written notice, without hearing at any time during the term of the franchise, direct solid waste away from the franchise. Whenever possible, the District shall divert an equitable amount of waste from each franchised facility to the resource recovery facility. In such case, the Council shall make every reasonable effort to provide notice of such direction to affected haulers of solid waste."

carried by the following roll call vote:

YEAS: Etlinger, Banzer, Bonner, Oleson, Deines
NAYS: Rhodes, Schedeen, Williamson, Kirkpatrick
ABSENT: Berkman, Kafoury, Burton

Motion to adopt Gary Newbore's amendment to Section 5(2) as follows (Banzer/Bonner):

"Subsection 5(2) Notwithstanding Section 5(1)(b) of this Ordinance, the District shall comply with Section 16 (User Fees), Section 19 (Determination of Rates), Subsection 8(6), and Section 14 (Administrative Procedures of Franchisees) and shall require contract operators of District-owned facilities to provide a performance bond pursuant to Section 7(2)(a)."

carried by the following roll call vote:

YEAS: Etlinger, Banzer, Bonner, Oleson, Deines
NAYS: Rhodes, Schedeen, Williamson, Kirkpatrick
ABSENT: Berkman, Kafoury, Burton

Motion to adopt Ordinance No. 81-111, as amended; carried unanimously. (Rhodes/Deines)

3.2 ORDINANCE NO. 81-112

Motion that Ordinance No. 81-112 be adopted; carried unanimously. (Banzer/Rhodes)

2.11 RESOLUTION NO. 81-271

Motion that Resolution No. 81-271 be adopted *as amended*; carried unanimously. (Banzer/Bonner)

*Prior to the vote on the motion, Presiding Officer Deines expressed his objection to the \$12,000 amount and suggested it be increased to \$25,000.

Motion to increase the minimum to \$25,000; carried unanimously. (Williamson/Deines)

2.12 RESOLUTION NO. 81-272

Motion that Resolution No. 81-272 be adopted; carried unanimously. (Banzer/Rhodes)

4.1 RECOMMENDATION FROM REGIONAL SERVICES COMMITTEE ON EXPENDITURE OF FY '82 FUNDS FOR DRAINAGE MANAGEMENT PROGRAM.

Motion that Council accept the recommendation of the Regional Services Committee for the expenditure of FY '82 funds for the Drainage Management Program; carried.* (Banzer/Rhodes, Bonner voting "no")

* Prior to the vote on the motion, discussion took place.

Motion to end the previous question; carried. (Williamson/Kirkpatrick, Banzer and Bonner voting "no")

Tom Dennehey, Johnson Creek resident, spoke on behalf of Metro's attempt to solve the drainage problems of the region, but cautioned them against using the previous LID approach.

Jean Orfutt, 12831 SE Morrison, stated Metro should contact all affected property owners, not just those living directly adjacent to Johnson Creek.

Meeting adjourned at 11:35 PM.

Respectfully submitted,



Sue Haynes
Clerk of the Council