

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

MAY 6, 1982

Members present: Couns.: Banzer, Berkman, Bonner, Burton, Deines, Etlinger, Kafoury, Kirkpatrick, Oleson, Rhodes, Schedeen and Williamson

Staff present: Don Carlson, Andy Jordan, Jennifer Sims, Kay Rich, Warren Iliff, Mike Holstun, Joe Cortright, Andy Cotugno, Doug Drennen, Norm Wietting, Mike Holstum, Jack Bails,

The meeting was called to order by Presiding Officer Banzer at 5:30 pm prior to the Regular Council Meeting at 7:30 pm. This meeting is a continuation of the Budget Committee Meeting of the Council from the May 3, 1982 Meeting.

ZOO BUDGET FUND

Don Carlson, Metro Deputy Executive Officer, directed Councilors' attention to both the Zoo's operating and capital funds. He reviewed both the Budget Committee recommendations and the Executive Officer's alternatives documents with the proposed figures and then invited questions.

Coun. Rhodes said that it was her impression that the Services Committee had asked for cuts in the following Zoo categories: auto and travel; dues, fees and publications; meetings and conferences; training and tuition. She felt that if the Departments of Solid Waste, Executive Management and Transportation are asked to make a cutback in travel funding then the Zoo ought to be required to do the same.

Warren Iliff, Zoo Director, said that at the last Coordinating meeting the Zoo management was prepared to make cuts across-the-board. After a hard look at the budget we feel that in order for the Zoo to maintain good and responsible management, the designated \$42,000 is a reasonable requirement. He then spoke about the continuing need to attract and maintain the best staff possible.

Coun. Rhodes stated that at the May 11 Services meeting, she will ask that the Zoo's program priorities be revised and updated in light of the scarcity funds.

Coun. Kafoury asked what is the Zoo's revenue projection for the coming year's attendance?

Mr. Iliff answered that revenue projections are based on a 20,000 visitor increase.

Motion to recommend to the Council to approve the Zoo Budget as proposed in the May 3, 1982 Committee Recommendations and Executive Officer Proposed Alternative for Budget Committee Consideration - May 3, 1982. (Rhodes/Oleson) carried unanimously.

TRANSPORTATION PLANNING FUND

Coun. Bonner reported that the Development Committee unanimously recommended that no changes be made in the proposed budget. However, the Committee did express some concern about not having a contingency fund in the budget because if the Federal Grant of \$65,000 does not materialize, further cuts will have to be made in the planning budget.

Coun. Rhodes noted that although she recommends to accept this budget as it stands, should the Solid Waste budget get bogged down and need more money, then she will want to cut back on the planning fund.

Motion to recommend to the Council to adopt the budgets for transportation, development services, joint development and land use coordination (Bonner/Kafoury) passed unanimously.

SOLID WASTE BUDGET CONTINUATION

Coun. Banzer said that this Committee took three hours of testimony at the May 3 meeting. No more public comment will be accepted at this meeting but comment will be accepted again at the regular Council meeting tonight at 8:00 pm.

Solid Waste Base Budget

Coun. Bonner described an alternative budget to the Executive Officer's proposal which would do the following:

- 1) No increase in the solid waste user fees
- 2) No increase in the St. Johns disposal fee.
- 3) There is an established disposal fee at CTRC, the new transfer station in Oregon City which covers the cost of CTRC.
- 4) It includes the basic recycling program of about \$300,000 and a limit on spending that money until a recycling plan is adopted by the Council.
- 5) No borrowing for planning or capital spending on Wildwood, ERF or Transfer Stations (other than CTRC) until Council adopts a solid waste management plan and capital improvements program.

Coun. Bonner then explained the reasoning for the shifts and the reductions in his proposed base budget.

Mr. Carlson directed the Council's attention to today's memo, August 6 which is a result of May 3's options showing revisions to the Services meeting April 26 when the budget was discussed. He then reviewed the Tables listed and described changes from previous budget allocations.

Projected Solid Waste revenues and disposal rates were then discussed by Councilors and staff.

Motion to recommend to the Council that the revised Solid Waste Base Operational Budget and Program options as outlined in the May 6 Memo be adopted by the Council (Rhodes/Kafoury)

Motion to Amend the motion to direct the staff to meet the following objectives (Bonner/Deines):

- 1) No increase in the solid waste user fees
- 2) No increase in the St. Johns disposal fee, except to cover CTRC costs
- 3) A basic recycling program of about 300,000 - and a limit on spending that money until a recycling plan is adopted by the Council
- 4) No borrowing for planning or capital spending on Wildwood, ERF or Transfer Stations (other than CTRC) until Council adopts a solid waste management plan and capital improvements program.

(Banzer, Bonner, Burton, Deines, Etlinger:- Yes) (Kafoury, Kirkpatrick Oleson, Rhodes, Schedeen, Williamson:- No) Amendment to the motion failed. Main motion carried.

The following actions were recommended by the Budget Committee of the Council:

Motion to recommend to the Council that the Solid Waste Capital budget be adopted with the following deletions:

- line item Account 5700 - DEQ loan by \$7.7 million
- line items of the Transfer Station with the exception of \$50,000 and the purchase of the land in Wildwood (Deines/Bonner)

Motion to Amend to delete the proposed cuts in the Solid Waste budget (Williamson/Kirkpatrick) Banzer, Burton, Bonner, Deines, Schedeen, Etlinger: No) Kafoury, Kirkpatrick, Oleson, Rhodes, Williamson: Yes) Amendment to the motion failed. Main motion carried.

Motion to adopt the Solid Waste Capital Budget with approximately \$7.7 million of deletions: (Banzer, Bonner, Burton, Deines, Etlinger, Schedeen: Yes) (Kafoury, Kirkpatrick, Oleson, Rhodes, Williamson: No) Motion carried.

Motion to adopt the Solid Waste Debt Service Fund (Burton/Kirkpatrick) Motion carried unanimously.

Motion to adopt the Solid Waste Drainage Fund (Kirkpatrick/Kafoury) Motion carried unanimously.

Motion to adopt the Energy Recovery Facility Funds for:

- 1) Bond Construction
- 2) Debt Service
- 3) Reserve

(Williamson/Kafoury) Bonner voted no, all other Councilors voted Yes. Motion carried.

Motion to approve the proposed budgets for Criminal Justice and the Transportation Technical Assistance Funds. (Rhodes/Kafoury) Motion carried unanimously.

Motion to recommend to the Council that the Fiscal 1983 Budget be adopted as outlined by this Budget Committee (Oleson/Kafoury) Motion carried unanimously.

After a short recess, the regular Council meeting was called to order by Presiding Officer Banzer at 8:45 PM.

1. Introductions

Coun. Schedeen introduced Coun. Etlinger's parents and brother who were attending this evening's meeting.

2. Written Communications to Council

Presiding Officer stated that the followings letters have been received: a) the Oregon City Commission requested notification of the Council's Resource Recovery Facility proceedings and invited Councilors to meet with them for lunch sometime in May; b) many letters regarding the waste reduction program; c) a letter from Keller Drop-box; d) the City of Portland requesting reconsideration on a past agenda item regarding the Urban Growth Boundary and a letter from Jenne Lynn neighbors in response to that; two letters regarding the Wildwood Landfill site. She then passed the letters for Councilors' review.

3. Citizen Communications to Council on Non-agenda

There were no citizen communications to Council on non-agenda items.

4. Councilor Communications

There were no communications at this time.

5. Consent Agenda

The consent agenda for this meeting consisted of:

5.1 A-95 Review

5.2 Recommendation on Resolution No. 82-326, For the Purpose of Responding to the FY 1981 Audit Report

5.3 Recommendation on Approval of Audit Contract for Fiscal Years 1982, 1983 and 1984

Motion that the consent agenda be approved; carried unanimously. (Kirkpatrick/Kafoury)

6. Recommendation on Resolution No. 82-325, Endorsing State Ballot Measure 3 to Increase Correctional Facility Capacity.

Jack Bails, Director of Criminal Justice Planning, reported that the Plan submitted from the three Counties in this area is now included in the State's Plan which will be voted on May 18 in Ballot Measure 3.

Motion to endorse State Ballot Measure 3 to create a correctional facility construction fund (Oleson/Schedeen) Kafoury voted no, all other Councilors voted yes. Motion carried.

7. Recommendation on City of Portland's Request for Reconsideration of Contested Case No. 81-6 (Jenne Lynd Acres)

Motion to reconsider the Jenne Lynd Contested Case 81-6 at the next Council Meeting (Williamson/Deines)

Mike Holstun, Assistant Legal Counsel, stated that at the March 25 meeting, the Council decided to adopt the Hearings Officer's report on this contested case. The Hearings Officer recommended denial of the proposed trade. The City of Portland has filed its request for reconsideration and it is filed under our contested case procedures which provides that a party can, after a case has been concluded and an order has been issued - request reconsideration of that order's decision. The City stated that the findings are inadequate, that Metro has misinterpreted the standards in the Ordinance and raised the point that only 7 members of the Council were present when the decision was made. He said that the decision before the Council is whether it wishes to reconsider the decision at a future date.

Rozanne Nelson, representative of the City of Portland, repeated the 4 reasons for the City's request as stated in her April 19 letter which is in the agenda packet.

Coun. Rhodes stated that she will vote against reconsideration because a) Having 7 Councilors in attendance is a quorum and not a sufficient issue for reconsideration and, b) Complaint about Metro not following its own guidelines is incorrect. We voted against it because we felt that the area has a definite hazard.

Coun. Williamson felt it is important to have more than 7 Councilors present for voting on this important issue and will vote for reconsideration.

Coun. Etlinger said he will vote for reconsideration although the facts and findings have not changed, he felt the full Council ought to meet on this issue.

Coun. Kafoury will vote to support the motion for reconsideration as the City's request should be honored. This should not be interpreted in any other way. She had voted in favor of denial and hasn't seen any new evidence to change her mind.

Coun. Bonner said he as Coun. Williamson feels there is no need for further testimony but will vote for reconsideration.

Coun. Berkman felt that Oregon is in such poor economic straits that it is important for a larger number of Councilors look at UGB issues and land use management. He said that he votes for reconsideration.

Coun. Banzer said that she, Couns. Bonner and Williamson will work out reconsideration procedures and tentatively set Thursday, May 27 as the date to have this topic on the agenda.

Motion to approve the City of Portland's Request for reconsideration of Contested Case No. 81-6: Coun. Rhodes voted no, Coun. Schedeen abstained, all other Councilors voted yes. Motion carried.

8.1 Ordinance No. 82-131, Amending Ordinance No. 81-109 and Adding Appropriations to the Fiscal Year 1982 Budget (Second Reading)

Motion to adopt the amended Ordinance No. 81-109 and adding Appropriations to the Fiscal Year 1982 Supplemental Budget (Kirkpatrick/Williamson) Motion carried unanimously.

9.1 Public Hearing on Ordinance No. 82-132, Adopting the Annual Budget of the Metropolitan Service District for Fiscal Year 1983, Making Appropriations from Funds of the District in Accordance with Annual Budget and Levying Ad Valorem Taxes (First Reading)

Motion to adopt the annual budget of the Metropolitan Service District for Fiscal Year 1983 making appropriations from funds of the District in accordance with said annual budget and levying Ad Valorem taxes (Deines/Kafoury)

Coun Banzer stated that the Council Budget Committee has already had extensive discussions on this proposed budget and announced that the meeting is now open for Public Hearing.

Ed Kulawiak, CPA, 16106 S. Winston Drive, Oregon City, congratulated Coun. Bonner for bringing sanity to the budget proceedings tonight. He commented that Metro's financial presentation was poor and felt Councilors did not have a good understanding of what is in the budget. He pointed out that Metro has taken a position stressing recycling but the budget shows only \$300,000 out of a \$7 million budget for waste reduction and recycling. A third of that amount is being spent on personnel and operating costs. He suggested that more money ought to be put into recycling.

Coun. Banzer thanked him and said that although it may be Mr. Kulawiak's first meeting regarding the budget, Councilors have spent many, many hours poring over the budget and understand what its policy implications are.

Bob Breihof - 1246 S.E. 49th, representing Portland Recycling Refuse Operators, Inc. (formerly Southeast Recycling Service, Inc.), handed out a packet describing their Solid Waste Reduction Proposal.

Coun. Kafoury suggested that this packet be referred to the Recycling Committee for review.

Coun. Banzer assured Mr. Breihof that suggestions in his May 3rd letter regarding differential fees based on the amount of recycling is being looked at by the Services Committee for feasibility and implementation.

Mark Peterman, President of Portland Recycling Team (PRT) said he currently has a contract with Metro for providing recycling services. His company is in favor of the allocation of the \$300,000 in the Solid Waste program and would prefer to see it increased. He objected to PRT's budget being cut from \$65,000 to \$50,000 and felt the needed money should come from the contingency fund. He said that he and his staff,

in a letter, has offered to assist Metro in finding a meaningful waste reduction program. He then described PRT's recycling program's efforts in the community.

Coun. Kafoury spoke in support of PRT's dedication to the principles of recycling. She also said that not all Councilors agree with the position not to fund PRT.

Gayle Towne-4515 N.E. 41st, Portland-member of Portland Recycling Refuse Operators, stated that his company does the same service as PRT and doesn't require Metro funding. He is both a recycler and hauler and has paid fees at the dump for six years. He objects to his fees being used to support PRT as well as Metro giving \$50,000 in funding to PRT.

George Finley - Garbage Collector and Recycler, feels that all tipping and user fees should, by law, only be used for operation of the dump site they are collected from. Any other use of these funds, makes control too difficult. If Metro feels it cannot operate under these guidelines then it ought to go to the property tax base for money. He wants his customers to look upon his business as garbage collection rather than tax collection.

Steve Borgens - Milwaukie, opposes any additional budget measure which may be imposed on garbage recycling haulers since it's just too expensive to pass on to the public.

John Trout - 1020 N.E. 3rd, Portland, said he's representing other recyclers and garbage haulers as well as himself this evening. He restated earlier concerns regarding Metro's budget which are as follows:

- General Fund transfer to support a Public Affairs budget which is too large and should be pared.
- Charge a user fee to the secondary materials market (Publishers' Paper, Independent Paper, Calbag Paper, etc.) to raise money for recycling.
- Although he is pleased that some items in the Capital Fund have been cut, he doesn't understand why \$900,000 has been placed in the Contingency Fund.

Norm Wietting, Solid Waste Operations Manager, explained that the \$900,000 will be used for the Clackamas Transfer Station.

Coun. Banzer said she appreciated John Trout's comments and asked him to please attend the next Regional Services Committee meeting on May 27 at 5:30 p.m. At that time, the Solid Waste budget will be reconsidered. The Solid Waste Policy Advisory Committee will also have an opportunity to review this budget before it is finalized.

Stan Kahn - 722 S.E. 18th, Portland, said it is his impression that several million dollars has already been spent promoting and developing the garbage burner. Had that money been spent to promote recycling, then it would have made a great difference. He felt that the fee charged at St. John's Landfill for yard debris should be dropped and Metro ought to

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fund curbside pickup. Also, other fees at St. John's Landfill should be raised now to pay for a future site when this landfill closes.

Coun. Deines responded that curbside yard debris pickup has been tried and has been unsuccessful because the public does not like to store its yard debris until pickup time.

Marilyn Pitts - 4142 N.E. 13th, Portland, Parkrose High School Teacher, said that for the past eight years, she has served as an advisor for the Environment Action Club Fair which is a non-profit, voluntary group. She then talked about its recycling efforts in the Parkrose community which serves approximately 200 families who have made a commitment to recycling. She stated that there is an attitudinal change in both her high school and community towards recycling. Ms. Pitts recommends that Metro keeps all recycling options open and continues to fund recycling centers.

There being no further testimony, the Public Hearing was closed.

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MOTION to add Local Government Assistant III position to the Public Affairs Department budget; passed unanimously. (Rhodes/Oleson)

MOTION to delete Local Government Assistant III (Council Assistant) from the Council budget. (Kirkpatrick/Kafoury) Discussion followed.

Councilors Etlinger and Oleson expressed concern that a move was being made to remove this position from the budget. They felt the position was needed and the Coordinating Committee should review the job description before proceeding to fill the position.

Coun. Kirkpatrick felt responsible to present the motion because she firmly disagrees with establishing the position. It is an impossible situation for anyone to work in and she receives assistance from the Metro staff and will continue to do so.

Coun. Burton agreed with Kirkpatrick because it is impossible for a staff person to divide their time twelve ways.

Coun. Deines surveyed the Councilors last year regarding the assistant position and responsibilities and received twelve different responses. He couldn't justify expenditure for this position unless it was combined with Local Government Assistant III position.

MOTION to delete Local Government Assistant III (Council Assistant) from the Council budget; FAILED 4-8.

Coun. Burton commented on footnote on page 13 under General Expense, General Fund of the May 6 Budget Committee Recommendations. He wanted to make sure it reflected the intent of Council to designate someone in the organization at a high level of responsibility as the Chief Financial Officer and that this action be reviewed at a later date. The savings incurred by not hiring a Chief Financial Officer should be reserved for a budget analyst position or some type of budget planning.

Presiding Officer Banzer called for discussion on the Planning Fund, Transportation and Technical Assistance Fund, Criminal Justice Fund, Drainage Fund and Zoo Operations Fund. Discussion followed only on the Zoo Operations Fund.

Coun. Rhodes commented that she understood the Zoo staff had requested COLA for the Zoo employees and it had been budgeted in the contingency fund but no action as to policy on this matter had been taken.

Don Carlson stated that the Coordinating Committee would consider this matter and the funds could be appropriated at a later date.

There was no discussion on the Zoo Capital Fund, however, discussion followed on the Solid Waste Operating Fund.

MOTION to remove \$7,350 from Item 7350 Supplies in Table J, Expenditures for Landfill Site Planning Option, of the Solid Waste Operating Budget and insert \$500, placing the balance of \$6,850 in contingency; PASSED unanimously. (Rhodes/Kafoury)

MOTION to reduce Item 7400, Contractual Services, in Table H, Expenditure for Waste Reduction Option, Solid Waste Operating Budget, by \$143,000 and place the \$143,000 in contingency, with a footnote that this amount not be spent until a Waste Reduction Plan is approved. (Deines/Burton) Discussion followed.

Coun. Etlinger stated that the major emphasis of Metro's Solid Waste Program is waste reduction. This is not reflected in the budget. He repeated his request, and wanted it on record, that the Recycling Coordinator appear before the Regional Services Committee with a Waste Reduction program update. Coun. Banzer requested that the Regional Services Committee schedule such a report.

Coun. Kafoury asked that Portland Recycling Team be allowed to request operating funds in the future.

Presiding Officer Banzer requested that a program for waste reduction be presented to the Council before the end of the fiscal year, and if it cannot be developed in that time, consideration should be given to extending the PRT contract.

Coun. Berkman expressed concern that a staff evaluation of PRT and its expenditure of funds has not been presented to Council as had been requested.

MOTION PASSED 7-4.

MOTION to reduce Item 7400, Contractual Services, Table I, Expenditures for Energy Recovery Facility Planning Option, by \$100,000 and place this amount in contingency. FAILED 4-6-1 (Etlinger/Deines)

Discussion on Solid Waste Capital Fund.

Jennifer Sims stated that once Council approves the budget, it can be increased by 10% in each fund and if Council wishes to appropriate additional revenues, it can do so in the Supplemental Budget; this was a response to Coun. Burton's inquiry.

Coun. Burton expressed concern about Metro's ability to approve bonds for the financing of a Washington County transfer station if it was not appropriated in the budget. A spokesman from DEQ stated that bond money would be available to another jurisdiction, such as Washington County, if what they wanted to do was within the scope of the Solid Waste Management Plan and if the Metro Council approved the funding. The bonds would not have to be financially backed by Metro. Executive Officer Gustafson expressed concern that this action would give the power of solid waste authority to Washington County and preclude other options.

MOTION to restore funds for Transfer Stations in the Solid Waste Capital budget. (Oleson/Williamson)

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Coun. Banzer stated she would not vote for the motion because we need to make it clear statement that the private sector should fund this program if at all possible.

MOTION PASSED 6-5.

There was no discussion on the Solid Waste Debt Service Fund, ERF Bond Construction Fund, ERF Debt Service Fund or the ERF Bond Reserve Fund.

9.2 Resolution No. 82-328, Transmitting the Fiscal Year 1983 Budget to the Tax Supervising and Conservation Commission.

MOTION to approve Resolution No. 82-328 PASSED 9-1.

Resolution No. 82-327, Clarifying the Council's Purpose in Including the Energy Recovery Facility Bond Revenues and Expenses in Metro FY '83 Budget introduced by Councilor Banzer; PASSED UNANIMOUSLY. (Kafoury/Burton)

10.1 Executive Officer's Report. No report.

10.2 Committee Reports. No reports.

Meeting Adjourned.

Written by Toby Janus and
Sonnie Russill