

**MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT**

**REGULAR MEETING
SEPTEMBER 8, 1983**

Councilors Present: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Oleson, Van Bergen, and Williamson.

Councilors Absent: Councilor Waker.

Also Present: Rick Gustafson, Executive Officer.

Staff Present: Donald Carlson, Andrew Jordan, Mark Brown, Ray Barker, Dan LaGrande, and Tom O'Connor.

A regular meeting of the Council of the Metropolitan Service District was called to order at 7:55 p.m. by Presiding Officer Banzer.

1. Introductions.

There were no introductions.

2. Councilor Communications.

Presiding Officer Banzer said the issue of Council expenses and guidelines had been tabled by a 4-2 vote at the Council Coordinating Committee meeting. She said since that meeting Councilors Kirkpatrick and Kafoury had prepared a resolution and proposed guidelines for Councilor expenditures for Council consideration that evening. She suggested in lieu of considering the resolution that night that the proposed guidelines be referred to the Council Coordinating Committee for a special meeting and that the full Council deliberate on the issue at their first meeting in October.

Councilors Kafoury and Kirkpatrick indicated that they preferred that the Council as a whole discuss the proposed guidelines.

Presiding Officer Banzer suggested that a special Council meeting be held on September 29th (prior to the regular Council meeting) to discuss the guidelines. She indicated that since

Councilor Waker was out of town and had expressed an interest in participating in the discussion, that the Council should wait until all members could be present.

Councilor Oleson stated he preferred to have the issue discussed initially by the Council Coordinating Committee.

There was then Council discussion on the preferred way to handle the issue. A majority of the members agreed that a special meeting of the Council should be held on September 29th at 5:00 p.m. and that the proposal by Councilors Kafoury and Kirkpatrick as well as the existing administrative guidelines be used as the basis for discussion.

3. Executive Officer Communications.

There were no Executive Officer Communications.

4. Written Communications to Council on Non-Agenda Items.

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

5. Citizen Communications to Council on Non-Agenda Items.

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

6. Consent Agenda.

The Consent Agenda consisted of the following item:

6.1 Minutes of the meetings of August 4, 1983.

Motion: Councilor Deines moved adoption of the Consent Agenda. Councilor Williamson seconded the motion.

Vote: The vote on the motion resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Kafoury, Kelley, Kirkpatrick, Oleson, Van Bergen, and Williamson.

Nays: None.

Absent: Councilors Hansen and Waker.

Motion carried.

7.1 Ordinance No. 83-160, amending the Metro Urban Growth Boundary in Clackamas County for Contested Case No. 82-1. (Second Reading)

The ordinance was read a second time, by title only.

Mark Brown, Development Services Planner, reported there had been no new information received since the first reading of the ordinance.

Vote: The vote on the motion made by Councilors Deines and Kafoury on August 25, 1983 to adopt Ordinance No. 83-160 resulted in:

Ayes: Councilors Banzer, Bonner, Deines, Etlinger, Hansen, Kafoury, Kelley, Kirkpatrick, Oleson, Van Bergen, and Williamson.

Nays: None.

Absent: Councilor Waker.

Motion carried, Ordinance adopted.

Councilor Williamson noted that he had to leave early and wanted to inform Council members of a Special JPACT meeting to be held on Wednesday, September 14, 1983 at 7:30 p.m. for the purpose of considering ODOT's Six-Year Plan.

8.1 Future Funding.

Rick Gustafson, Executive Officer, presented a memo regarding "Long-Range Financial Policies for Metro" (a copy of the memo is attached to the agenda of the meeting). He outlined four recommended long-range goals for funding sources for general government, local assistance, support services and direct operations, as follows:

1. General Government--a goal to finance general government activities with a general tax source and make the general

government functions fully self-supporting through their own source of revenue.

2. Local Assistance--a goal to finance local assistance activities through funds obtained directly from local governments that receive the services.
3. Support Services--a goal to establish support services on a fee-for-service basis charged to the user of the centrally provided service.
4. Direct Operations--a policy that all direct operations obtain their own financing based on available revenue sources. He said this policy already existed for the Zoo and Solid Waste operations and was proposed to be applied to all future direct operations of Metro.

He said he was not recommending that the Council adopt these particular goals at this meeting, but hoped that after further discussion on future funding options the Council would adopt long-range financial policies.

Donald Carlson, Deputy Executive Officer, presented his memo of September 8, 1983 entitled "Five-Year Projections for the General Fund" (attached to the agenda of the meeting). He outlined the assumptions behind the projections for the general government, support services and local assistance functions, as follows:

1. The current General Fund activities and level of service would be continued as well as the current organizational structure.
2. A 4% annual growth rate (for inflation) for all expenditures except for the Data Resource Center. DRC's five year projections for support service activities increase on an average of 6.8% per year and for local assistance activities, 17% per year.
3. The projected allocations for interfund transfers (Planning, Zoo and Solid Waste) to pay for support service costs were based on the 1983-84 cost allocation plan.
4. General government will assume a share of support service costs beginning in FY 1985-86 based upon an analysis of the FY 1983-84 cost allocation plan. General government's allocation includes an appropriate share of Finance & Administration and Public Affairs costs plus general costs

such as Boundary Commission dues, NARC dues and election expenses. The 1983-84 amount was projected forward with annual 4% increases.

5. A general tax source will be found starting 1985-86 to fund general government direct costs as well as indirect costs for support services.
6. Revenue from local governments will be received starting in 1985-86 at a reduced level to fund local assistance activities.

He then described the activities associated with each of the three functions, and detailed the funding projections.

Councilor Kafoury requested that when the funding options for a general tax was prepared strategies and timing needs for each option be included in the report.

Councilor Bonner suggested that an option which should be considered was one that tied general government and support services to operating revenues (solid waste, zoo and overhead from federal grants) rather than to a general tax. He said that option would use transfers for general government and support services expenditures instead of a general tax. He said it wasn't an easy choice to either assess the taxpayer or the garbage hauler and zoo patron.

Councilor Kirkpatrick said the choice didn't yet need to be made. She said when the options paper was presented, they would then have to decide which financing option they wanted to pursue.

Councilor Etlinger said without a five-year operation plan for Metro he couldn't support any general government funding options.

Councilor Kafoury said that she had done a lot of thinking about the purpose of Metro and that the question which should be asked was not what was the purpose of Metro, but what was the purpose of regional government. She said Metro was not a regional government, it was a metropolitan service district and so defined by statute. She said what was needed was the participation of the people in the region to wrestle with the issue of regional government and how services fit into that.

Mr. Gustafson concluded that he would be meeting with each of the members of the Council regarding the proposed policies and to gather thoughts they might have regarding Future Funding.

8.2 Special Legislative Session

Tom O'Connor, Legislative Liaison, presented his memorandum regarding the 1983 Special Legislative Session (attached to the agenda of the meeting) which outlined a tax reform package by Governor Atiyeh and Senator Fadeley as well as a proposal by the Local Government/Business Coalition. He said his recommendation was that the Metro Council oppose the Atiyeh/Fadeley package and support the proposal by the Local Government/Business Coalition.

Councilor Kirkpatrick asked why Mr. O'Connor needed the Metro Council to take a position. Mr. O'Connor responded that it was important to be able to respond when a legislator asked him what was Metro's position.

Motion: Councilor Kirkpatrick moved that the Metro Council go on record as opposed to the Atiyeh/Fadeley proposal because of what it would do to Metro's Zoo and Solid Waste activities. Councilor Kafoury seconded the motion.

Vote: The vote on the motion resulted in:

Ayes: Councilors Bonner, Deines, Etlinger, Hansen, Kafoury, Kirkpatrick, and Oleson.

Nays: None.

Absent: Councilors Banzer, Kelley, Van Bergen, Waker, and Williamson.

Motion carried.

Motion: Councilor Bonner moved that the Metro Council support a package which would include a sales tax but have a net tax reduction. Councilor Deines seconded the motion.

Councilor Etlinger argued that the Council had not talked to their constituents; that they should take a position they could defend, and should not open themselves politically to taking sides on the issue.

Councilor Bonner withdrew his motion.

Councilor Kirkpatrick said she could not support a motion as suggested because it was important that they deal with proposals as they related to Metro business. She said they needed to look at proposals as they were made and react to them as they affected the zoo and solid waste activities.

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Councilors Oleson and Hansen commented that they supported Mr. O'Connor's recommendation to support the Local Government/Business Coalition proposal.

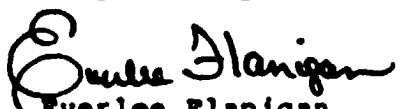
9. Committee Reports.

Councilor Hansen noted that the Regional Services Committee would meet on Tuesday, September 13th.

Councilor Kafoury noted that the Regional Development Committee would meet on Monday, September 12th.

There being no further business, the meeting adjourned at 9:40 p.m.

Respectfully submitted,


Everlee Planigan
Clerk of the Council

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