

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

**September 5, 1985
Special Meeting**

Councilors Present: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Councilors Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

Staff Present: Don Carlson, Dan Durig, Kay Rich, Ray Barker, Vickie Rocker, Phillip Fell, Dennis Mulvihill, Doug Drennen, Rich McConaghy, Wayne Rifer and Debbie Gorham

Deputy Presiding Officer Waker called the special meeting to order at 5:30 p.m.

1. INTRODUCTIONS

None.

2. COUNCILOR COMMUNICATIONS

Councilor Kelley announced she and Ray Barker would be touring Cleveland's regional park system later in the month.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

5. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

6. APPROVAL OF MINUTES

Motion: Councilor Myers moved to approved the minutes of August 6, 1985, and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the minutes were approved.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 85-588, for the Purpose of Approving the Collective Bargaining Agreement Between Metro and Laborers International Union, Local 483

Don Carlson explained the Union had agreed to the proposed two-year agreement which contained 13 changes. The most significant amendments included: 1) a 3 percent cost of living adjustment effective July 1, 1985, with a adjustment for 1986-87 based on Portland CPI-W average increase (the increase would not be less than 3 percent nor more than 4 percent with a reopener clause if the average increase was over 5 percent); 2) \$.05 increase in shift differential; 3) \$5.00 annual increase in shoe allowance; 4) increase in the maximum accumulation of sick leave to 1,630 hours; and 5) to award up to 5 percent of the total possible score to each qualified employee on the basis of seniority in the selection process for promotion.

There was no discussion of this item.

Motion: Councilor Van Bergen moved to adopt Resolution No. 85-588 and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

7.2 Consideration of Resolution No. 85-589, for the Purpose of Amending the Metro Pay Plan for Metro Employees

Mr. Carlson explained this Resolution would amend the Pay Plan to allow for the 3 percent cost of living increase granted to union employees. It would also grant a 3 percent increase to non-union employees.

In response to Councilor Waker's question, Mr. Carlson said Zoo non-union employees were currently earning 2 percent more than other non-union employees. Equity would be achieved in FY 1986-87, he said.

Motion: Councilor DeJardin moved to adopt Resolution No. 85-589 and Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

7.3 Consideration of Resolution No. 85-590, for the Purpose of Amending Resolution No. 85-562 and Revising FY 1985-86 Appropriations (relating to funding the Committee on Regional Convention, Trade, and Spectator Facilities (CTS) and Implementing the Cost of Living Adjustment)

Neil McFarlane explained that as part of the FY 1985-86 budget process, it had been discussed that Metro would contribute \$10,000 to a CTS Pool of Common Resources. Other local governments would also contribute to this fund, as detailed in Attachment "A" of the staff report. Metro, he said, had been designated by the CTS Committee to collect and disburse common resource pool funds. This arrangement was not included in the original budget pending agreement to establish this cash pool by other participating jurisdictions. These agreement were currently being negotiated.

Mr. McFarlane said staff recommended Metro's \$10,000 portion be transferred from General Fund Contingency and that Intergovernmental Resource Center (IRC) appropriations be amended to show a \$10,000 increase in General Fund Transfer and a corresponding reduction in Contract Services.

Jennifer Sims explained the second budget adjustment request would appropriate funds for the 3 percent cost of living increase granted to all employees by adoption of Resolution No. 85-589. Funds would be transferred from various department contingencies to Personal Services line items. The total impact for FY 1985-86 would be \$178,000, she said.

Motion: Councilor DeJardin moved to adopt Resolution No. 85-590 and Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

8. OTHER BUSINESS

8.1 Consideration of 1986 Solid Waste Rate Policies

Doug Drennen reported that at the August 22, 1985, Council meeting, staff had distributed rate policies and issues for Council review. Since that meeting, staff drafted an ordinance to amend solid waste disposal rates effective January 1, 1986, based on staff's recommendations. The first reading of the ordinance would occur September 12, 1985. Mr. Drennen said the purpose of this meeting was for staff to answer Councilors' questions about rate policies and to entertain changes to the proposed ordinance.

Councilor Myers asked staff to explain how disposal rates related to the overall Solid Waste Reduction Plan, especially regarding work schedules. Mr. Drennen responded the rate study was conducted annually as a review of Solid Waste revenue and expenses. Program alternatives were discussed during the budget process. New programs proposed as part of the Waste Reduction Plan could be reflected in the new budget, he said.

Rich McConaghy, in response to Presiding Officer Bonner's request of August 22, distributed information comparing Metro's disposal rates with those changed at other facilities. He cautioned that all factors were not equal and in some cases, oranges were being compared with apples.

Mr. McConaghy then introduced Mr. George Hubel, chairman of the Solid Waste Rate Review Committee, to present the Committee's preliminary recommendation of staff's proposed changes to the solid waste disposal rates. A written recommendation would be distributed at the September 12 Council meeting, he explained.

Mr. Hubel explained the Committee met September 3 and found staff's rate study and recommendations to be accurate, complete and fairly representative of the financial nature of the disposal system. The Committee, however, was concerned about the dramatic increase of the Solid Waste Fund Balance and questioned why, under those circumstances, a rate increase was being recommended. He said staff's response to this concern was they anticipated the cost of operating St. Johns Landfill and Clackamas Transfer & Recycling Center (CTRC) would increase. Also, the opening of Washington Transfer & Recycling Center (WTRC) would substantially increase expenses. Staff

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advocated a two-year, gradual rate increase and corresponding gradual decrease of the Fund Balance, he reported. Again, Mr. Hubel explained the Committee would present more detailed, written recommendations to the Council on September 12.

In response to Councilor Myers question, Mr. Hubel said the Committee discussed the size of a prudent Fund Balance but was unable to determine an appropriate amount. The Balance had historically been about 7 percent of the Solid Waste operating budget. He said the Committee could find no reason staff's rate recommendation should not be adopted, however, but that some formal policy on the size of the fund balance should be established. Mr. Drennen added staff had contracted with a financial consultant who was examining the fund balance issue along with Metro's public bonding capabilities. He also explained the large fund balance was due to unexpected use of St. Johns Landfill by haulers from outside the region.

Councilor Gardner asked if the Rate Review Committee made recommendations regarding using rate setting to effect the flow of solid waste. Mr. Hubel responded the Committee thought using rates was the most effective way to direct flow. The alternative would be to establish policies designed at diverting waste and such policies would be difficult to develop and equitably administer, he said.

Jack Deines, 15232 S.W. East Avenue, Milwaukie, Oregon, testified that rate setting was not the best way to divert the flow of waste. He advocated offering economic incentives to haulers. He explained that if CTRC disposal rates were increased, haulers would simply pass the increase to customers. He also suggested the Council request profit and loss statements for each Metro disposal operation in order to determine if rate increases were necessary.

Dan Durig explained that detailed financial information on CTRC and St. Johns Landfill operations was available to the Council for examination in the form of the annual audit, monthly financial reports and the annual budget.

Councilor Cooper asked if staff had examined the issue of whether haulers from other jurisdictions could be restricted from disposing waste at Metro facilities. Mr. Durig said legal counsel was currently developing an opinion on this matter. Issues examined would include whether Metro could impose a surcharge to outside haulers or restrict hours to manage traffic flow.

Councilor Gardner asked if, assuming the landfill siting process defined in Senate Bill 662 were successful, diversion of waste from St. Johns would remain an important issue. Mr. Durig explained the diversion issue would still be important because St. Johns was

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scheduled to close in two years. A new landfill would be sited in two years but would not be operational for perhaps another four years, he said.

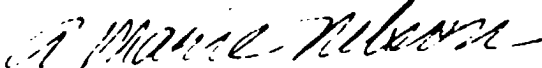
In summary, Mr. Drennen explained the current Fund Balance would support landfill siting and landfill enhancement programs until the first of the year. Approximately \$500,000 would be expended for these purposes, he said. Mr. Durig also emphasized Metro was maturing as an organization and was examining long-term financial issues such as the liability exposure of major solid waste facilities. As a major regional utility, he said Metro would be incurring significant financial responsibilities in the next five to ten years and it must be determined how these operations would be financed. Mr. Durig said these issues would be addressed in the Finance chapter of the Solid Waste Management Plan.

Wayne Rifer distributed draft copies of the Waste Reduction and Recycling chapter of the Solid Waste Management Plan. He explained the Council Solid Waste Reduction Task Force would be meeting the following week to review and document and would make specific recommendations to the Council.

Mr. Durig reported the Council would meet on September 12 to designate possible sites for the WTRC. He explained staff had received a letter from U.S. Plywood requesting Metro withdraw Site N from consideration because the property would very likely be developed by U.S. Plywood for other purposes. Mr. Durig recommended the site not be excluded from further consideration until the September 12 meeting due to the potential for change in developments with U.S. Plywood. Mr. Durig also reported the city of Hillsboro had withdrawn its endorsement of Site 59.

There being no further business, Deputy Presiding Officer Waker adjourned the special meeting at 6:50 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

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