

APPROVED
Date 7-14-93

MINUTES OF THE METRO COUNCIL BUDGET COMMITTEE

March 16, 1993

Council Chamber

Committee Members Present: Rod Monroe (Chair), Richard Devlin (Vice Chair), Roger Buchanan, Jon Kvistad, George Van Bergen

Councilors Also Present: Mike Gates, Susan McLain, Terry Moore

Chair Monroe called the meeting of the Budget Committee to order at 5:55 p.m.

1. SOLID WASTE REVENUE FUND

A. Revenue Estimates / Rates

Bob Martin, Director of Solid Waste Department, presented the Solid Waste Department FY 1993-94 Proposed Budget, and said the central issue in the budget each year was the projected flow of waste Metro anticipated for the next fiscal year. He noted, however, that a ton less waste with its inherent reduction in revenue did not carry with it an equivalent reduction in expense, and said Metro suffered financially. For this reason, Mr. Martin said, Metro's tonnage projections should be as reliable as possible, and he noted the Contingency Account helped absorbed impacts.

Mr. Martin referenced Revenue Justification, page 1 through 5, in the Budget Notebook FY 1993-94 Proposed Budget, which listed the Solid Waste Revenue accounts for a total of \$89,587,708. The FY 1993-94 Proposed Budget Notebook has been made part of the permanent record in the Council Office. Mr. Martin noted the total revenue estimate for the system was less than the previous year.

Mr. Martin displayed a graph demonstrating Tier One, Tier Two and Tier Three fees describing current tonnage with a five year tonnage projection showing estimated Metro tonnage disposal fees and user fees to be collected. He said according to the apparent trend, \$75 fee tonnage was leveling off or dropping slightly, and tonnage for which the \$19 user fee was collected appeared to be increasing slightly.

Mr. Martin noted a proposal for a change in the fee structure was currently before the Solid Waste Committee for approval. He said if the proposed system management fee, which he noted was a component recommended by the Rate Review Committee, was not approved, the revenue estimate for collection of that fee, \$4,927,287, would have to come from the user fees. In response to Chair Monroe, Mr. Martin said the net loss would be \$1.5 million, and the user fee would have to increased to \$77 per ton. Chair Monroe asked Mr. Martin to brief the Budget Committee on the proposed fee changes. Mr. Martin displayed a chart which demonstrated the effects of keeping the user fee at \$75 per ton, and instituting a system management fee of \$3.50 per ton. He indicated the proposal, either way, would fund the programs now contemplated. Mr. Martin noted using reserves would have impacts over the long term. Mr. Martin cautioned against using reserves too quickly. He referenced page 2 of 5 in the Budget Notebook, and He said he anticipated instituting a rate of \$77 instead of \$75 to keep the budget in balance, assuming building the Washington County transfer station. He said another option would be to keep the rate at \$75 and reduce the reserves, or cut costs in the amount of \$1.5 million in the proposed budget. In response to Chair Monroe, Mr. Martin said *building the Washington County transfer station would mean an increase of approximately \$5 per ton FY 1994-95 assuming construction in FY 1995-96.* He said other increases in costs assumed an additional \$5 per ton increase in fees, for a total of \$10 increases in fees in the next fiscal year.

In response to Councilor Gates, Mr. Martin said the Washington County plan included a privately owned Washington County transfer station, and said he had not analyzed purchasing the land for the facility. He noted discussion and debate had occurred over approximately a two year period.

(Continued)

The Committee as a whole briefly discussed issues surrounding the building of the Washington County transfer station.

Mr. Martin discussed the rate increases over the last five years, which occurred as the new regional waste disposal system was set in place.

In response to Councilor Devlin, Mr. Martin enumerated four components of the unappropriated balance included proceeds from a sale of property for about \$1 million, a dispute settlement with BFI for about \$1.5 million, retention of FY 1992-93 budgeted funding of debt service for the restart of the composter for about \$1 million, and the current year's contingency account for a total amount of about \$4.2 million.

Mr. Martin provided detail of the revenue accounts as listed on page 1 through 5.

In response to Councilor Gates, Mr. Martin said about \$134,000 of the \$2.84 in the Reserve Account was slated for the fiber based fuel system.

In response to Councilor Moore, Mr. Martin said the Department believed the revenue projection for the Household Hazardous Waste (H2W) facility was a reliable estimate.

In response to Councilor Gates, Mr. Martin agreed Fine and Forfeit Revenues could increase with improved methods of collection, and noted waste returning to the region was an area of expected increased revenue.

In response to Councilor Buchanan, Mr. Martin said reserve account funds were invested and handled by the Investment Manager, Howard Hansen, in the Finance and Management Information Department. Councilor Kvistad noted the information would be reflected in the Investment Portfolio received by the Council.

In response to Councilor Van Bergen, Mr. Martin said the excise tax collected would not be affected by the decrease from FY 1992-93 \$90 million budget to FY 1993-94 Proposed Budget \$89 million budget.

In response to Chair Monroe, Mr. Martin said no staffing increases and no promotions were in the FY 1993-94 Proposed Budget.

Mr. Martin said about 85% of Department budget costs was non-discretionary, that is, fixed funding tied to long term contracts, tied to compliance with state law, and said about \$5 million or 15% was discretionary, i.e. related to planning activities, administrative overhead, the Recycling Information Center, and promotional activities.

B. Operating Account Programs

► Administration

Judith Mandt, Administrative Manager, presented the Administration Division FY 1993-94 Proposed Budget, and said the budget for the Administration Division was \$612 thousand. She described the division as outlined in the Division/Program Narrative in the FY 1993-94 Proposed Budget Notebook. She referenced page 160 of the FY 1993-94 Proposed Budget. This document has been made part of the permanent meeting record.

Ms. Mandt outlined expenditure allocations as described in the FY 1993-94 Proposed Budget for Personal Services, Materials and Services and Capital Outlay.

In response to Councilor McFarland, Ms. Mandt said increases in salaries resultant from C.O.L.A. and merit increases were included, but said no proposed promotions or reclassifications were included in the FY 1993-94 Proposed Budget. In response

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to Chair Monroe, Roosevelt Carter, Solid Waste Budget and Finance Manager, said a reclassification study was done and a Director position was classified to a Senior Director position. The Committee noted the item for further discussion.

In response to Councilor Moore, Ms. Mandt said the Department had the equivalent of two Office Assistants, one full time Office Assistant, and two .5 FTE Office Assistants. Ms. Mandt explained Temporary Help Services comprised temporary help from temporary agencies such as Kelly.

Councilor Moore requested Ms. Mandt provide information breaking down expenditures per employee for Office Supplies, Subscription and Dues, and Training, Tuition and Conferences. Ms. Mandt clarified Office Supplies were for the entire Department and included Scalehouse facilities. Councilor Devlin clarified the FY 1993-94 Proposed Budget Notebook examined line items in detail.

► Operations

Chair Monroe referenced page 164 and 165 in the FY 1993-94 Proposed Budget and the Operations section in the FY 1993-94 Proposed Budget Notebook.

Sam Chandler, Solid Waste Facilities Manager, presented the Operations Division FY 1993-94 Proposed Budget, and characterized his division's budget as fairly stable. He discussed the H2W program and said a focus for the next fiscal year would be programs for waste from Conditionally Exempt Generators (CEG's) and an intergovernmental agreement with the Multnomah County Sheriff's Department.

The Committee as a whole and Staff briefly discussed haulers' operations, designated facility operations and flow control impacts as identifiable policy issues.

Councilor Kvistad asked regarding an increase in Miscellaneous Professional Services from \$606 thousand FY 1992-93 to \$1.5 million FY 1993-94. Mr. Houser noted a contract was in the works with Multnomah County Sheriffs Department for flow control enforcement.

► Budget and Finance

Roosevelt Carter, Solid Waste Budget and Finance Manager, presented components of the FY 1993-94 Proposed Budget for the Budget and Finance Division, and referenced page 162 and 163 in the FY 1993-94 Proposed Budget and the Budget and Finance Section of the FY 1993-94 Proposed Budget Notebook.

In response to Councilor Moore, Mr. Carter said each year a mailer produced by the Public Affairs Department explaining the current year rate increases was charged to the Budget and Finance Division.

Councilor McLain inquired regarding a line item, #56612 on page 163, an expenditure of \$160,083. Mr. Martin explained the amount was the portion of the permit fee charged by DEQ to Waste Management for their permit to operate the Arlington landfill, and said the monies were passed through Metro pursuant to Metro's contract with Waste Management. He noted the fee had experienced a substantial increase due to the previous year's budget revision to revise the fee schedule.

► System Engineering & Analysis

James Watkins, Solid Waste Engineering & Analysis Manager, presented highlights of the FY 1993-94 Proposed Budget for the Engineering & Analysis Division, and referenced page 167 and 168 in the FY 1993-94 Proposed Budget and the Engineering & Analysis section of the FY 1993-94 Proposed Budget Notebook.

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In response to Councilor Moore, Mr. Watkins explained line item #524190, Misc. Professional Services, \$122,500, involved six contracts for consulting services, photographs of the landfill, and water quality and ground water monitoring.

► Waste Reduction

Debbie Gorham, Waste Reduction Manager, presented details of the FY 1993-94 Proposed Budget for the Waste Reduction Division, and referenced page 169 and 170 in the FY 1993-94 Proposed Budget and the Waste Reduction Division section of the FY 1993-94 Proposed Budget Notebook. She said the Waste Reduction Division, Management and Administration Program included the market development section, the local government recycling program, the 1% for Recycling program and said the Metro goal was to reduce the recycling level to 50% by the year 2000, and noted the current recycling level was 38%. She said the Division was in the third year of a five year Waste Reduction plan.

In response to Councilor Devlin, Ms. Gorham said she would provide the Committee with expenditure figures for the Metro Challenge grants FY 1992-93.

Councilor Kvistad referenced page 169, an increase in Promotion Supplies from \$500 to \$21,000. He noted a portion of the increase was for discount coupons for compost bins for workshop participants, and asked if Council approval for the program had taken place. He inquired whether or not a cost effectiveness analysis for the proposed program had been conducted. Ms. Gorham said the program idea had originated from a successful program conducted Salem.

Councilor McLain asked for clarification regarding the Waste Reduction budget and H2W budget, and said no mobile vans were included. Mr. Martin said funding for evaluating how to implement total H2W management plan which envisioned supplementing the fixed H2W facilities with mobile collection capability was included in the FY 1993-94 Proposed Budget. He said DEQ funding would likely be involved as well.

In response to Chair Monroe, Ms. Gorham said she believed the system management fee would assist the waste reduction program. In response to Councilor Devlin, Mr. Martin said the Department believed Metro was in compliance with the DEQ order. He said the waste management plan contained programs to be implemented to reach DEQ compliance goals for the future.

► Planning & Technical Services

Terry Petersen, Planning and Technical Services Manager, distributed a document summarizing the division's proposed FY 1993-94 Work Program. This document has been made part of the permanent meeting record.

In response to Councilor Van Bergen, Mr. Martin said the program involving assistance from the Multnomah County Sheriff's Department for illegal dumping enforcement was being offered to all three counties in the region.

- Public Affairs Department Programs
 - Recycling Information Center
 - Promotion
 - Education

Marie Nelson, Public Affairs Supervisor, and Michel Gregory, Senior Public Affairs Specialist, presented highlights of the FY 1993-94 Proposed Budget for the Department, and referenced page 172 and 173 in the FY 1993-94 Proposed Budget and the Public Affairs Division section of the FY 1993-94 Proposed Budget Notebook.

Ms. Nelson distributed a document entitled, "FY 1993-94 Public Affairs Dept. - Solid Waste Fund Program Allocation" to the Committee. This document has been made part of the permanent meeting record.

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In response to Councilor Van Bergen, Ms. Nelson said visual informational presentations of the division's programs were made to the Solid Waste Committee throughout the year on a periodic basis.

In response to Councilor Kvistad, Ms. Gregory said advertising work was done both in house as well as contracted out of house, and she noted Metro was given a government rate in a number of instances.

Councilor Wyers raised questions concerning which newspaper meetings ads should be run in.

Chair Monroe announced the meeting would adjourn and the remainder of the agenda for this meeting would be taken up at the Thursday, March 18, 1993 meeting prior to the previously scheduled agenda for the March 18 meeting.

There being no further business, the meeting adjourned at 8:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Marilyn Geary-Symons".

Marilyn Geary-Symons
Committee Recorder