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MINUTES OF THE METRO COUNCIL BUDGET COMMITTEE

March 30, 1993

Room 440
Metro Center

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

Councilors Also Present: Ed Washington, Ruth McFarland, Sandi Hansen, Mike Gates, Terry Moore

Also Present: Rena Cusma, Executive Officer

Chair Monroe called the regular meeting to order at 5:44 p.m.

1. SOLID WASTE REVENUE FUND

Bob Martin, Director of Solid Waste Department, reported to the Committee regarding the rate structure and concept of a new fee, and said it was possible the decision would be made to retain the fee at \$75 per ton and not set up a system management fee. He noted the tonnage forecast for the next year appeared to be down by 20 tons, or 5% decline. He said the impact to the proposed revenue of approximately \$87 million was about a \$2.5 million drop in revenue. He said expenditures were in balance in the proposed budget with the fee in place at about \$89 million. He noted without the fee in the structure the budget was not in balance, and indicated the use of the unappropriated balance would be necessary to bring the budget into balance. Mr. Martin did not recommend using the unappropriated balance excessively. He displayed a graph depicting projections against current actual tonnage and future projections for the next four years. Mr. Martin felt future actual tonnages would be somewhere between the optimum scenario depicted and the worst scenario depicted.

Mr. Martin said the new tonnage forecast suggested approximately \$57 million revenue, with a possibility of the low end of the forecast at about \$50.5 million revenue.

In response to Chair Monroe, Mr. Martin said variable costs, such as transport to the landfill, were affected in an offset manner by the increases and decreases in flow, whereas fixed costs were impacted by decreases negatively.

Mr. Martin said to bring the budget into balance, it would take a rate of \$77.50, find \$2 million in budget cuts, use \$2 million in reserves, or a combination of all three.

In response to Councilor Devlin, Mr. Martin displayed a graph illustrating expected rate projections through FY 1996-97.

Chair Monroe indicated the Solid Waste Committee had been clear regarding maintaining the rate at \$75 per ton and not adding a system management fee, and said he would support that decision.

Mr. Martin clarified the figures demonstrated by the graphs were predicated on the building of the Wilsonville facility.

Councilor McFarland noted the timeline on the chart ended at the same time the closure of the St. Johns Landfill would be completed.

Councilor McLain commented regarding the commitments made concerning the Wilsonville facility, and noted it could be considered a matter of timing. The Committee discussed the issue of the Wilsonville facility further.

(Continued)

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Mr. Martin commented the overall waste stream was increasing, but less revenue was derived from less amounts of that waste stream.

A. Operating Account Programs

o Operations

Sam Chandler, Solid Waste Facilities Manager, referenced Mr. Martin's memorandum dated March 30, 1993 to John Houser, Council Analyst, responding to the Council Staff analysis. This document has been made part of the permanent meeting record. He called the Committee's attention to page 8, no. 2. Mr. Chandler supported the concept of the paint recycling program and moving to the next phase by establishing a paint processing area at the Metro Central Household Hazardous Waste (HHW) facility.

In response to Mr. Houser, Jim Watkins, Engineering and Analysis Manager, said the expenditure of \$180,000 was projected at minimum costs. Councilor Buchanan suggested a collection station only be established at Metro Central followed by transport of paint to Metro South. Mr. Chandler said the facility was too limited to support the concept.

Mr. Chandler referenced page 14, Materials & Services, no. 1, and explained the use of the caterpillar tractor and backhoe/loader.

Mr. Chandler referenced page 17, no. 8. The Committee and staff discussed the status of the current contract with MacFarlanes Bark.

Mr. Chandler referenced page 17, no. 9. Mr. Chandler felt single day events were not an innovative way of handling HHW, and felt other ways could be conceptualized and implemented.

o Engineering & Analysis

C. Landfill Closure Account

Mr. Watkins referenced page 2. He said the low bid gave reason for caution regarding possible change orders, but noted cost savings could be realized.

H. Construction Account

Mr. Watkins said regarding a fiber based fuel (FBF) pelletizer, if appropriation authority was not granted FY 1993-94, a supplemental budget would be necessary later. The Committee discussed budgetary impact, and Mr. Houser noted the Solid Waste Committee had not reviewed the policy issue of whether or not to install the equipment.

Councilor Van Bergen inquired whether FBF as a policy question should come before the Solid Waste Committee for review prior to budget inclusion.

Councilor Kvistad commented regarding other policy questions and issues found in the budget which had not been reviewed in Committee prior to inclusion.

Councilor Hansen noted the FY 1993-94 Proposed Budget was in development stages last year and in some cases two years ago. She said items were proposed which ran on a parallel track at times with what was in review at the Committee level, and said at any time the proposed document could be changed.

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Rena Cusma, Executive Officer, agreed with Councilor Hansen's perspective.

o Budget & Finance

Roosevelt Carter, Solid Waste Budget and Finance Manager, discussed flow control ordinance implementation, and referenced page 10 of Mr. Martin's memorandum. He discussed a flow control enforcement contract proposed with the Multnomah County Sheriff's Office.

In response to Councilor Devlin, Mr. Carter said the Sheriff's Office would be responsible to follow through with prosecution of cases. Mr. Carter the Sheriff's Office would have dedicated personnel for Metro's flow control issues. Mr. Martin said the Sheriff's Office would follow up on complaints, investigate, conduct evidence gathering, and would be the entity to conduct the enforcement activity. In response to Councilor Hansen, Mr. Martin clarified the work would not be done only in Multnomah County. Councilor Van Bergen felt the matter was a policy issue that should be before the Solid Waste Committee.

Mr. Houser clarified 4.0 FTE would be dedicated, one Sheriff from each county, and one corrections officer. In response to Councilor Kvistad, Mr. Houser noted he understood the Washington County Sheriff's Office did not know about the program. Mr. Martin clarified an election had occurred in the meantime.

Mr. Carter referenced page 14 of the March 30 memorandum regarding a contract for review of the rate setting model.

Chair Monroe recessed the Committee at 7:38 p.m.

Chair Monroe reconvened the Committee at 7:48 p.m.

o Engineering & Analysis

Terry Petersen, Planning and Technical Services Manager, referenced page 6 of the March 30 memorandum from Mr. Martin, and discussed the requested allocation of \$150,000 for engineering services for design review and construction oversight for the reopening of the compost facility now that the decision has been made to permanently close the composter.

He said the composter project was essential to the overall strategy to recover organic material and the need to address the recovery of such waste. Councilor McLain asked regarding a company that had testified before the Solid Waste Committee that received organic wet waste, and asked if such companies had been identified. Mr. Petersen said funding would need to be appropriated for that purpose. Mr. Martin said it was necessary to review the whole issue of mixed solid waste (MSW). Councilor Buchanan noted several waste systems companies had indicated interest in establishing a MSW facility at no expense to Metro. Mr. Martin felt savings incurred in such a venture in terms of changes in direction of waste stream flow should be passed on the rate payers. In response to Chair Monroe, Mr. Martin said he did not feel the item should be cut from the budget.

Chair Monroe requested Mr. Martin work with Mr. Houser to determine areas within the Proposed FY 1993-94 Budget he would favor for cuts.

o Planning & Technical Analysis

Mr. Petersen referenced page 31 through 34 of the March 30 memorandum. He commented supporting the request for funding for field study of the waste stream.

o Waste Reduction Division

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Debbie Gorham, Waste Reduction Manager, referenced page 22 of the March 30 memorandum, and discussed the "hard match" for multi-family grants provided by Metro. In response to Mr. Houser, Ms. Gorham said Metro had reason to believe local governments would contribute their share of the required "hard match." She said a large number of businesses in the region remained in which to conduct waste audits.

Councilor Devlin referenced page 170 of the FY 1993-94 Proposed Budget, and asked regarding the possibility of making some cuts in the Challenge Grants. Mr. Martin said the possibility existed. The Committee and staff discussed dues from local governments, which were now voluntary. Ms. Cusma noted a number of local jurisdictions had written letters indicating they did not intend to pay dues to Metro, and agreed she hoped the eight largest jurisdictions would continue to do so.

Ms. Gorham clarified Metro Challenge Grants did not pay for containers. Councilor Devlin indicated he understood that, but noted they were included in the same line item in the budget.

Councilor McLain commented she did not favor cutting Metro Challenge Grants, and felt local governments needed the grants as encouragement in their recycling programs. She emphasized the jurisdictions who would not pay Metro dues might be in most need.

Ms. Gorham referenced page 24, no. 9 regarding the master recycler grant program. She referenced pages 26 through 30, and commented regarding market development. Ms. Gorham commented regarding a proposed contract for \$30,000 to explore alternative uses for green glass. She referenced page 30, no. 4 regarding a proposed \$75,000 contract for reduction/recycling program modeling in two commercial sector waste generator groups. Mr. Houser asked if funding would be requested for additional commercial sectors in future budgets.

B. Includes Public Affairs Department Programs: Recycling Information Center, Promotion and Education

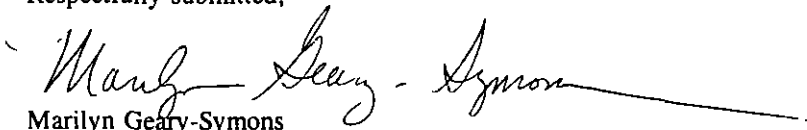
Marie Nelson, Public Affairs Supervisor, referenced a document entitled, Public Affairs Department, Response to Questions About the Proposed FY 1993-94 Budget.

Mr. Prosser said the question could perhaps be discussed at the time the Cost Allocation Plan was discussed.

Chair Monroe opened a public hearing. No citizens appeared to testify. Chair Monroe closed the public hearing.

There being no further business, the meeting adjourned at 8:55 p.m.

Respectfully submitted,


Marilyn Geary-Symons
Committee Recorder