

MINUTES OF THE BUDGET COMMITTEE OF THE
METROPOLITAN SERVICE DISTRICT

April 1, 1986

Members Present: Councilor Tom DeJardin (Chair), Becky Charles,
Councilor John Frewing, Councilor Jim Gardner,
Councilor Gary Hansen (Vice Chair), Councilor
Marge Kafoury, Dan O'Leary, Robert Phillips,
Norman Rose, Alice Schlenker

Members Absent: Trudy Bothum, Michael Burns

Also Present: Rick Gustafson, Executive Officer

Staff Present: Don Carlson, Jennifer Sims, Steve Siegel, Keith
Lawton, Andy Cotugno, Vickie Rucker, Jannet
Schaeffer, Dan Durig, Dennis Mulvihill, Norm
Wietting, Doug Drennen, Wayne Rifer, Patrick
Minor, Mary Jane Aman, Rich McConaghy, Becky
Crockett, Ed Stuhr, Ray Barker

Councilor DeJardin, Chairman of the Budget Committee, called the meeting to order at 5:35 p.m.

GENERAL INFORMATION

Jennifer Sims discussed the revised Budget Meeting schedule:

- April 9 Public hearing on the FY 1986-87 Budget; Continuation of General Fund; Revenue discussion
- April 15 Formulation of Committee recommendations
- April 17 Tentative meeting date for review of recommendations if needed

Ms. Sims also distributed copies of the March 25 meeting minutes and a report of FY 1986-87 budget comparisons as requested by Mr. Rose.

INTERGOVERNMENTAL RESOURCE CENTER (IRC)

Keith Lawton, Technical Manager, introduced other key IRC staff and provided an overview of the IRC budget. He explained the primary objective of the IRC was to provide regional studies, technical assistance and coordinating services to member governments in the program areas of data, transportation and development services. Mr. Lawton discussed the various revenue sources for the IRC budget, including dues from local governments, and the IRC Committee process for establishing funding priorities. He distributed information providing a detailed list of proposed priority tasks for the new fiscal year.

- * Councilor DeJardin asked how the State Department of Transportation hearings on the proposed 6-year Transportation Plan effected the IRC budget. Andy Cutogno, Transportation Director, explained the new budget included funds to conduct a reconnaissance survey of the 220/212 Corridor for Clackamas County businesses. This, he said, would complement the state's engineering efforts.
- * Alice Schlenker asked if Metro had a role in dealing with the problem of the transportation of hazardous materials throughout the region. Mr. Lawton answered Metro had no leadership role because each jurisdiction controlled its own roads and highways. Metro had, however, offered technical assistance to the Portland Fire Bureau to study the effects of types of spills on various freeways in the area. Councilor Hansen said the hazardous substance transportation issue had been raised at Bi-State Commission Meetings. The Portland Fire Bureau had been a lead agency because of their expertise in handling such materials. He thought Metro could assume a more active role, however, as the routing of hazardous waste became a bigger issue. Councilor DeJardin added Metro was assuming a role in identifying hazardous materials disposed at St. Johns Landfill.
- * Councilor DeJardin noted the IRC had conducted hearings in Washington, Clackamas and Multnomah Counties before local government representatives on the proposed budget and that the small turnout had been small. He asked staff if they could explain the turnout. Mr. Lawton said the proposed budget presented few changes from the previous year which could explain lower interest. Based on his feedback from government representatives, however, Metro's programs were valuable and were responsive to local governments.
- * In response to Councilor DeJardin's question, Mr. Lawton explained the per capita dues rate to local governments was increased to 50¢ in 1976 or 1977. That rate was not increased until last year when it was raised to 51¢ per capita.
- * Councilor DeJardin asked staff to review unsecured revenue sources in the budget. Mr. Lawton explained funds for the proposed constraints report, an economic development study and some LCDC funds were not yet secured.
- * Responding to Councilor Frewing's question, Mr. Lawton said local government representatives understood the services were paid for by dues and were supportive of costs for Metro's services to them. He did not think local governments would stand in the way of a Metro tax base.

- * Councilor Frewing asked if some of Metro's services to local governments competed with services provided by other institutions such as the demographic studies performed by the Portland Development Commission and the PSU Population Center studies. Mr. Lawton explained rather than competing, Metro's services were very complimentary to those provided by other agencies. Metro provided information used to develop the studies of other institutions and vice versa.
- * Regarding the IRC budget meetings conducted in each county, Councilor Hansen asked staff to explain the process for notifying interested parties of those meetings. Mr. Lawton reported IRC Committee members and other local government administrators had been informed of the January meetings in late December. Each county IRC representative had invited administrators, planners, mayors and councilors of small cities within respective counties. Councilor Hansen was concerned Metro Councilors had not been involved in the IRC budget building process.
- * Councilor Hansen requested the Budget Committee consider at its next meeting whether to approve a budget note instructing the Metro Council to be notified of IRC Committee budget meetings and to receive relevant materials including meeting agendas and minutes.
- * Mr. Cotugno addressed Councilor Hansen's request for more information about a proposed study on privatization of transit in the region. He explained the federal government had issued a strong policy directive to involve private operators in transit services. UMTA and Tri-Met were paying for the study, he said.
- * Councilor Kafoury asked staff to identify new programs not in the FY 1985-86 IRC budget. Mr. Lawton said the Southeast Transportation Study, the Southeast Corridor Study, the UGB periodic review and the CTS project were new elements. He explained the IRC Committee had recommended funding priorities and had named the above projects to be included in the new budget.
- * Responding to Councilor Kafoury's question, Mr. Lawton said the Department expected to receive over \$30,000 from contract sales and data services for the new fiscal year. A slightly higher figure was budgeted from the previous year because staff anticipated a better economic climate and would be more aggressive about selling its services.

- * Mr. O'Leary asked if the dues paid by local governments to Metro were mandated by law. Mr. Lawton reported the dues authority had been mandated by the Legislature and the statutory authority would expire in 1989. As discussed earlier, he said local governments supported the current dues level. He also stated the dues level would continue to be assessed at 51¢ per capita even if the tax base measure were approved by voters.
- * Mr. Rose asked staff to explain a discrepancy of \$300,000 in reporting the proposed budget increase from the current fiscal year. Ms. Sims said \$300,000 had been transferred in the mid-year budget change request to set up the CTS Fund. Mr. Rose noted this transfer would not actually result in a 14 percent budget reduction for IRC and asked that percentage figure be adjusted.
- * Mr. Rose asked if Metro was effected by the 4 percent reduction of federal government programs recently imposed. Mr. Cotugno explained transportation programs would begin to be effected July 1. He said the new budget was structured around new funding sources to offset lost federal revenue.
- * In response to Ms. Schlenker's question, Mr. Lawton explained staff would perform services for the CTS Committee only as requested by the Committee. Metro assumed no leadership role at this time.
- * Mr. Rose asked when the CTS Fund was authorized. Ms. Sims said the fund was created by the Council on March 27, 1986, as part of mid-year budget changes for FY 1985-86.

At 7:15 p.m., Councilor DeJardin called a ten minute break. The meeting reconvened at 7:25 p.m.

SOLID WASTE DEPARTMENT

Dan Durig, Solid Waste Director, distributed materials to explain the Solid Waste budget including an organizational chart, a summary of department funds, a detail of the Operations Fund, Revenue Fund and Debt Service Fund, and a detail of the Waste Reduction Program.

Solid Waste Revenue. Rich McConaghy, Solid Waste Analyst, reviewed the Department's funding sources which included various fee revenues and grants. Mr. McConaghy discussed disposal, convenience, and other fees charged.

- * Councilor DeJardin asked how the opening of the West Transfer Center operation would impact the budget. Mr. McConaghy said the budget assumed the facility would open in May of 1987. This, he explained, would influence waste flow, revenue and expense projections for the new budget. He said the Council would decide if a convenience fee would be charged for users of the facility.
- * Councilor Gardner asked staff to explain why a convenience charge was imposed on commercial users of the Clackamas Transfer Center. Mr. McConaghy said the fee was an economic incentive for some haulers to dispose of loads at St. Johns Landfill when it was equally convenient to use either facility.

St. Johns Landfill

Norm Wietting, Operations Manager, explained Metro was currently involved in contract negotiations with the City of Portland, the owner of St. Johns Landfill, regarding landfill operations. The budget, he said, made certain assumptions about operations costs even though contract negotiations with the City were not final: forty cents per ton would be assessed for an end use landfill fee starting January 1, 1987; and 52 percent of the net methane gas revenue would go to Metro for project administration. The methane gas revenue would be reflected in the Methane Fund, he said.

Mr. Wietting reviewed budget changes from the current fiscal year: funds would be budgeted for sewage fees to dispose of landfill leachate; the St. Johns operations contract expenses had decreased significantly due to a change in contractors; funds had been budgeted to process yard debris for use as landfill cover; a feasibility learn had been funded to study how small quantities of hazardous waste entering the landfill might be identified and handled; payments to DEQ and the City of Portland for landfill end use programs and landfill lease would increase.

- * Mr. O'Leary asked staff to explain the difference between special waste and hazardous waste. Mr. Wietting said wastes were given a designated category depending on their makeup and quantity. Special wastes, such as asbestos, were land-filled in special containers and locations at the St. Johns Landfill for safety purposes. Hazardous wastes, however, were disposed at the hazardous materials landfill in Arlington, Oregon. Mr. Wietting offered to provide Mr. O'Leary a list of materials classified as hazardous.

- * Mr. Rose asked staff to explain how the actual cost of disposing waste at St. Johns Landfill was computed. Mr. Wietting explained that after calculating revenue received from disposal and other rates and operations expenses, Metro did not realize a profit from operating the landfill.

Clackamas Transfer and Recycling Center (CTRC)

Mr. Wietting reported the financial aspects of the CTRC operation were very similar to the St. Johns Landfill except that Metro owned CTRC and made debt service payments rather than lease payments. He explained the operations contract would expire September 1 but it could be renewed for an additional year. The budget assumed no increase in contract expenses, he said.

- * Councilor DeJardin asked if staff expected the new West Transfer Station in Washington County to operate differently than CTRC. Mr. Wietting said the two operations would be similar but the West Station would have an expanded waste reduction program and perhaps more sophisticated equipment.
- * Mr. Rose asked if staff had considered imposing penalties for disposal of recyclable materials such as newspapers. Mr. Durig said the new waste reduction program would encourage recycling by offering attractive rate incentives.

Waste Reduction Program

Dennis Mulvihill, Waste Reduction Manager, reviewed the history and development of the current waste reduction program and the impact of Senate Bill 662 on Metro's current waste reduction efforts. He then reviewed proposed allocations to each area of the program.

- * Councilor Frewing asked staff to comment on the recent Business Journal editorial which had stated funds budgeted for the waste reduction program promotional and education contract were insufficient for the task and improperly allocated. Mr. Mulvihill said he disagreed with the Business Journal's stance that most effort should be placed on development of waste reduction programs for industry. He said the program would focus on both home and industrial waste generation and on developing markets for recyclable materials. He thought the budget was sufficient to educate the public about waste reduction in a way that would influence their behavior.

- * Mr. Phillips asked what specific promotional and education plans had been developed to reach the elderly, minorities and those in lower economic and education levels. Vickie Rucker, Public Affairs Director, explained no specific programs had yet been developed but those groups had been identified as a target area for future programs. The previous marketing survey performed by Columbia Research Center had identified respondents by age, income and zip code, she said. Mr. Phillips stressed the waste reduction program should be communicated to minority community organizations.
- * Mr. Rose asked if staff had compiled information on the types of materials landfilled. Mr. Wietting said the information was available although it was three years old. Those reports indicated about 22 percent of all disposable materials were recycled including newspaper, glass, office paper, oil, non magnetic metals and cardboard.
- * Ms. Schlenker asked how staff would evaluate the success of the waste reduction promotion and education program. She noted it would be very difficult to change the public's behavior in such a short time period. Mr. Mulvihill explained the program was a permanent commitment, not a short-term program, and Metro's emphasis would be to change the public's behavior. He said a new study would be done on the composition of waste currently landfilled and recycled. These compositions would be remeasured annually to check progress and changes in disposal activity.

BUDGET MEETING SCHEDULE

Because of the late hour, Councilor DeJardin requested the Solid Waste Department continue their presentation at the April 9 meeting. He also requested an IRC representative be at that meeting to address budget related questions of the committee. Ms. Sims suggested staff present more information on the CTS Fund at the April 9 meeting because it was a significant program to the agency. Councilor DeJardin announced a public hearing on the proposed budget was also scheduled for April 9.

Ms. Sims said she had talked to Trudy Bothum who had indicated she was submitting a letter of resignation to the Budget Committee. The recent birth of Ms. Bothum's child had created more demands on her time than anticipated.

Ms. Sims announced she had Zoo Master Plans to loan to Committee members who wanted them. She also asked Committee members to let her know if they wanted tours of Metro's facilities.

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Councilor DeJardin adjourned the meeting at 8:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "A. Marie Nelson".

A. Marie Nelson
Clerk of the Council

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