

APPROVED

Date 5-11-94

MINUTES OF THE COUNCIL BUDGET COMMITTEE

April 21, 1994

(Continued from April 20, 1994, Meeting)

Council Chamber

Committee Members Present: Chair Rod Monroe, Vice Chair Richard Devlin, Roger Buchanan, Jim Gardner, Jon Kvistad, Susan McLain, George Van Bergen and Ed Washington

Committee Members Absent: None

Other Councilors Present: Sandi Hansen

Chair Monroe reconvened the meeting (continued from the April 20 meeting) at 3:06 p.m.

I. Consideration of Options and Recommendation on General Fund Revenue

Don Carlson, Council Administrator, thanked Jennifer Sims, Director of Finance & Management Information (FMI) and all FMI staff without whom, he said, all the work performed on the FY 1994-95 Proposed Budget would not have been possible.

Ms. Sims distributed "Revenue Options" (Attachment No. 1 to these minutes) and explained same. She said staff had provided a base case plus seven alternatives for financing Metro operations for FY 1994-95 and explained same. The Finance Committee and Ms. Sims discussed each alternative in turn. Chair Monroe said Alternative Nos. 4, 5 and 6 were not preferable because they included local governmental dues. He said if Metro did impose a niche tax, local governments made it clear they did not want to pay dues. Ms. Sims referred to page 5, Alternative No. 4, and said that alternative did not include local dues. Councilor Van Bergen asked if the cost of an election should be included also. Mr. Carlson said the Committee should decide what election costs would be. Councilor Van Bergen noted other, related costs were included. Chair Monroe said a tax could or could not be put on the ballot; or Metro could refer it; or the voters could petition to vote on it. He noted that Ms. Sims had said a real estate tax would be \$65-75 per \$150,000 home sale. He said that there should be exclusions for remodelling and for low-income families, such as exempting the first \$50,000.

Ms. Sims discussed Alternative No. 7, Income Tax. Chair Monroe said that alternative would require a vote of the people. He noted the Tax Study Committee had recommended both short and long-term taxes. The Committee discussed income tax possibilities further. Councilor Van Bergen asked what would be considered income. Ms. Sims said whatever income was considered taxable. Councilor Van Bergen said an income tax was not a viable option for Metro. He said if citizens would not support school funding, they would not support funding for Metro. Chair Monroe agreed, but said such a tax could be viable if it replaced all other fees such as local dues, the excise tax and possibly reduced tipping fees.

Ms. Sims noted staff had distributed revised excise tax revenue estimates per the Committee's instructions. Chair Monroe said the Committee could choose to use the excise tax for one more year, or use the excise tax as a bridge tax until another tax was decided upon. Councilor Gardner said it would be difficult at this time to decide on a new or different tax because of the anticipated new Executive Officer and Council. He said the construction tax would be best, but said it should be very finely-tuned. He said the Council should continue with the excise tax at this time. He said taxes applied to solid waste rates did affect all regional citizens because everyone disposed of garbage. He endorsed a split excise tax rate if necessary.

Councilor Van Bergen asked if surveys had been taken on a new tax or taxes, or on how to fund planning functions. Councilor Devlin said some general surveys had been taken and that 65 percent of those polled opposed the real estate tax, but said there was some support for the construction excise tax as tied to planning.

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Chair Monroe said additional taxes on solid waste had not been polled. Councilor Van Bergen strongly opposed all options given. He said the budget as submitted was unbalanced. He said the methods involved were "spend and tax" rather than "tax and spend." He said he supported a 7 percent excise tax last year, but did not believe an additional tax on solid waste revenues was fair. He said the voters had made it clear that they did not want any more additional taxes on the state level and said that applied to the regional level as well.

Councilor Devlin said the decision was made to set the excise tax rate at 7 percent with a sunset clause to revert back to 6 percent in September 1994 because the sunset clause was based on the Council's commitment to find another source of revenue for planning. He said however, no basis had been established for a differential excise tax rate, and said the rate should be uniform this year. He said consideration for the Zoo favored a differential excise tax rate, but said there was nothing that would really improve the Zoo's overall financial picture at this time because it needed an additional revenue source(s) to what it already had. He said regardless of decisions made now, it would be delinquent of the current Council to not lay groundwork for the 1995 Council so that they had a better chance of being able to resolve Metro's funding difficulties. Chair Monroe concurred with Councilor Devlin and said he would ask the Finance Committee to review long-term budget issues because this year was obviously the last year Metro could expect local dues.

Councilor McLain said Alternative Nos. 4, 5, 6 and 7 were not viable at this time. She said No. 1 was irresponsible because it would not fund Metro's operations properly. She said Nos. 2 and 3 both had problems per Councilor Devlin's previous discussion on the Zoo and solid waste revenues. She said she placed No. 3 higher than No. 2, however, to take care of Metro's mandated services and functions.

Councilor Washington said he was not willing to deal with any tax in any form. Councilor Kvistad said if Metro had to, it should consider a real estate transfer tax because it was directly tied to growth. He said he would support no spending above the 6 percent excise tax. Councilor Buchanan said it would be best to wait for the new Executive Officer and Council to decide what funding sources Metro should exercise. He expressed surprise that the Council had just decided to dedicate \$1.8 million over three years to the Portland Center for the Performing Arts (PCPA) in light of Metro's ongoing financial shortfalls. Councilor Hansen said she preferred Alternative No. 3 at this time and did not want a split excise tax. She said, however, that this year's budget process was better than last year's.

Chair Monroe said Committee consensus appeared to be to utilize the excise tax at this time and to work on long range funding options for the rest of 1994. He said the Committee could choose a 7.4 or 7.5 percent excise tax rate on everything, or a split rate; 6 percent on all non-solid waste revenues and 7.7 percent on solid waste revenues. He said the higher tax on solid waste made sense in that it was a broad-based tax as noted by Councilor Gardner.

Councilor Gardner asked what effect a split rate would have on the various solid waste fund balances. John Houser, Senior Council Analyst, said the Operating Contingency for FY 1994-95 would be \$3.3 million. He said the General Account would be \$3.2 million and said the newly-created Rate Stabilization Account would have \$1.5 million. He noted, besides the Oregon Waste Systems amendment which would lead to additional savings, the Executive Officer's announcement last week on the change in purchasing fuel for Jack Gray Transport's (JGT) trucks which had been estimated would save Metro approximately \$300,000. Mr. Houser said the OWS contract amendment would save Metro approximately \$700,000 in FY 1994-95.

Chair Monroe asked how much it would cost to lower the tipping fee to \$74 per ton. Mr. Houser said it would cost approximately \$727,000. Chair Monroe said Metro could exercise the split excise tax and lower tipping fees. The Committee discussed different financing options and/or cuts further.

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Bob Martin, Director of Solid Waste, responded to Councilor Washington's question about using additional solid waste funds to subsidize other agency costs. Mr. Martin said the issues depended on whether an excise tax rate of 7.4 or 7.7 percent was used and what the funds were used for. He said he did not want the Contingency account lowered below what had been originally proposed. He said the Unappropriated General Fund Balance should probably be utilized first. He said the OWS contract amendment savings, projected for \$700,000 and projected fuel savings of \$300,000, were modest estimates. He said the Contingency account had been proposed at 3.6 percent because tonnage tended to vary.

The Committee discussed the issues further. Councilor McLain said the solid waste industry would strongly object to carrying the burden for other Metro operations. She said the issues deserved more discussion and the solid waste industry's comments should be solicited. Councilor Gardner asked if the split excise tax rate would cause an increase in the tipping fees in the future. Mr. Houser said Metro was establishing the rate stabilization account to moderate any future increases. Councilor Kvistad said he preferred the split excise tax rate compared to the other options given at this time.

To Councilor Washington's question, Councilor McLain said Estle Harlan's testimony at the April 20 Budget Committee meeting opposed a differential rate on solid waste tipping fees. Mr. Houser said Ms. Harlan called him the date of this meeting and asked him to express the solid waste industry's opposition to an excise tax higher than 6 percent on solid waste revenues. The Committee discussed financing options further

Motion No. 1: Councilor Gardner moved to direct staff to prepare an excise tax ordinance calling for a split excise tax rate of 6 percent on non-solid waste revenues and 7.7 percent on solid waste revenues.

Vote on No. 1: Councilors Buchanan, Gardner, Monroe and Washington voted aye. Councilors Kvistad, McLain and Van Bergen voted nay. Councilor Devlin was absent. The vote was 4/3 in favor and Motion No. 1 carried.

Casey Short, Senior Council Analyst, distributed "Budget Notes" dated April 21, 1994 (Attachment No. 2), and explained same.

Motion No. 2: Councilor Washington moved to approve the two Budget Notes as presented by Council staff.

Vote on No. 2: Councilors Buchanan, Gardner, Kvistad, McLain, Monroe, Van Bergen and Washington voted aye. Councilor Devlin was absent. The vote was 7/0 in favor and Motion No. 2 passed.

Gail Ryder, Senior Council Analyst, distributed "Budget Notes" dated April 21, 1994 (Attachment No. 3), and explained same.

Councilor Van Bergen said he did not approve of language given for Budget Note No. 4, "Local Government Service Fee."

Motion No. 3: Councilor Van Bergen moved to approve the first four budget notes as presented by Council staff.

Vote on No. 3: Councilors Buchanan, Gardner, Kvistad, McLain, Monroe, Van Bergen and Washington voted aye. Councilor Devlin was absent. The vote was 7/0 in favor and Motion No. 3 passed.

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Motion No. 4: Councilor McLain moved and amended Budget Note No. 5 with the deletion of "consensus" in the final sentence.

Councilor McLain said she made the motion with the understanding that it would alert the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC) to the fact that the Council would begin discussion on the issues immediately.

Vote on No. 4: Councilors Gardner, McLain, Monroe and Washington voted aye. Councilors Buchanan, Kvistad and Van Bergen voted nay. Councilor Devlin was absent. The vote was 4/3 in favor and Motion No. 4 carried.

John Houser, Senior Council Analyst, distributed "Proposed Budget Notes - Solid Waste Revenue Fund" dated April 21, 1994 (Attachment No. 4) and explained the same.

Motion No. 5: Councilor Kvistad moved to approve all six Solid Waste Budget Notes as presented by Council staff.

Councilor Van Bergen recommended that the date listed in Budget Note No. 1 be changed to October 1, 1994, rather than January 1, 1995. He expressed objections to No. 5 also.

Motion No. 6: Councilor Van Bergen moved to amend Solid Waste Budget Note No. 1 per his language listed above.

Vote on No. 6: Councilors Buchanan, Gardner, Kvistad, McLain, Monroe, Van Bergen and Washington voted aye. Councilor Devlin was absent. The vote was 7/0 in favor and Motion No. 6 passed.

The Committee discussed Motion No. 5 as amended. Councilor Kvistad removed Budget Note No. 5 related to the Mobile Household Hazardous Waste Collection Programs from his previous motion with the consensus of the Committee.

Vote on No. 5 as Amended: Councilors Buchanan, Gardner, Kvistad, McLain, Monroe, Van Bergen and Washington voted aye. Councilor Devlin was absent. The vote was 7/0 in favor and Motion No. 5 passed as amended above.

The Committee then discussed Solid Waste Budget Note No. 5.

Motion No. 7: Councilor McLain moved Budget Note No. 5.

She said the Budget Note did not mean the Council had to accept it, it simply meant that the Department had to implement a program so that the Council would have the opportunity to discuss it.

Vote on No. 7: Councilors Buchanan, Gardner, Kvistad, McLain, Monroe and Washington voted aye. Councilor Van Bergen voted nay. Councilor Devlin was absent. The vote was 6/1 in favor and Motion No. 7 carried.

Mr. Carlson noted Councilor Kvistad had asked him to prepare a budget note for the Support Services Fund, Unappropriated Balance, to dedicate \$200,000 for the purchase of a financial management system.

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Motion No. 8: Councilor Kvistad moved to dedicate \$200,000 in the Support Services Fund, Unappropriated Balance, for the purchase of a financial management system.

Councilor Van Bergen did not agree with the allocation. He said the Council should look at such expenditures critically and make sure the financial management system did what it was supposed to do.

Vote on No. 8: Councilors Gardner, Kvistad, McLain, Monroe, Van Bergen and Washington voted aye. Councilors Buchanan and Devlin were absent. The vote was 6/0 in favor and Motion No. 8 passed.

Mr. Carlson discussed another budget note for the proposed General Services Department regarding appropriation levels related to division functions. Councilor Van Bergen said such requests should be made in advance and in writing. Mr. Carlson said he would submit a written budget note for the Council's consideration at the special Council meeting May 5.

2. Resolution No. 94-1910, For the Purpose of Approving the FY 1994-95 Budget and Transmitting the Approved Budget to the Tax Supervising and Conservation Commission

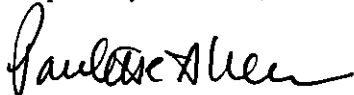
Motion No. 9: Councilor Gardner moved to recommend that the full Council adopt Resolution No. 94-1910.

Councilor Van Bergen expressed displeasure with the budget as a whole and said he planned to speak against it at the Council level and before the TSCC.

Vote on No. 9: Councilors Gardner, McLain, Monroe and Washington voted aye. Councilors Kvistad and Van Bergen voted nay. Councilors Buchanan and Devlin were absent. The vote was 4/2 in favor and Motion No. 9 carried.

All business having been attended to, Chair Monroe adjourned the April 21 meeting continued from the April 20, 1994, meeting at 5:09 p.m.

Respectfully submitted,



Paulette Allen
Clerk of the Council
BUD0421.94

Revenue Options
Metro Budget Committee
April 21, 1994

*Budget
Committee
Minutes
4/21/94 #1*

Base Case

- 6% Excise Tax at \$74 and \$75 per ton
- Budget Committee Preliminary Recommendations as of 4-20-1994
- Dues revenues at \$550,000

Alternative #1

- Same base assumptions at Base case, but 7% Excise Tax rather than 6%

Alternative #2

- Same as Base, but two tier Excise Tax at 6% & 8% on Solid Waste

Alternative #3

- Same as Base, but Excise Tax rate adjusted to cover actual need.

Alternative #4

- Real Estate Transfer Tax (RET) to cover increment needed above Base Case plus RET administrative costs.

Alternative #5

- Construction Excise Tax (CET) to cover increment needed above Base Case, plus CET administrative costs. Assume no exclusions from CET.

Alternative #6

- - 1/2 Real Estate Transfer and 1/2 Construction Excise Tax to cover increment needed above Base Case, plus administrative costs.

Alternative #7

- - Income Tax to...
 - Eliminate Excise Tax
 - Replace Dues
 - Cover Planning costs recommended by Budget Committee
 - Cover Greenspaces planning as recommended by Budget Committee
 - Cover Greenspaces Operations at \$1 million per year
 - Cover Arts/Cultural recommendations of \$14.1 million
 - Cover Parks operations at \$1 million per year
 - Cover income tax administrative costs.

Base Case
6% Excise Tax
Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
6% Excise Tax Revenues	5,005,603	5,040,925
Unfunded Recommendations	\$914,058	\$878,736

Assumptions:

Budget Committee Preliminary Recommendations as of 4/18/94

\$550,000 Local Service Charge (Dues)

Solid Waste Tonnage Estimate By Solid Waste Department March 1994

Alternative #1
7% Excise Tax
Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
7% Excise Tax Revenues	5,628,924	5,668,633
Unfunded Recommendations	\$290,737	\$251,028

Assumptions:

Budget Committee Preliminary Recommendations as of 4/18/94

\$550,000 Local Service Charge (Dues)

Solid Waste Tonnage Estimate By Solid Waste Department March 1994

Alternative #2
6%/8% Excise Tax
Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
6%/8% Excise Tax Revenues	6,074,402	6,118,470
Unfunded Recommendations	(\$154,741)	(\$198,809)

Assumptions:

Budget Committee Preliminary Recommendations as of 4/18/94

\$550,000 Local Service Charge (Dues)

Solid Waste Tonnage Estimate By Solid Waste Department March 1994

Alternative #3
Excise Tax Set to Cover All Preliminary Recommendations
Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
Excise Tax Revenues	5,919,661	5,919,661
Unfunded Recommendations	\$0	\$0
Excise Tax Rate Required	7.47%	7.40%

Assumptions:

Budget Committee Preliminary Recommendations as of 4/18/94

\$550,000 Local Service Charge (Dues)

Solid Waste Tonnage Estimate By Solid Waste Department March 1994

Alternative #4
 Base Case Plus Real Estate Transfer Tax
 Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
Real Estate Transfer Tax Admin. Costs	100,000	100,000
Transfer Tax One-Time Set Up Costs	250,000	250,000
6% Excise Tax Revenues	5,005,603	5,040,925
Real Estate Transfer Tax	1,264,058	1,228,736
Unfunded Recommendations	\$0	\$0
Real Estate Transfer Tax Rate	0.04%	0.03%
Real Est. Xfer Tax on \$150,000 sale	\$53.30	\$51.81
Amt. Raised by each .01% Tax	\$355,749	\$355,749

Assumptions:

- Budget Committee Preliminary Recommendations as of 4/18/94
- \$550,000 Local Service Charge (Dues)
- Solid Waste Tonnage Estimate By Solid Waste Department March 1994
- Real Estate Transfer Tax Administrative Costs as estimated in "Strategic Funding Report," dated July 22, 1993
- No exclusions from Real Estate Transfer Tax
- Includes \$250,000 one time set-up cost of RET collection

Alternative #5
 Base Case Plus Construction Excise Tax
 Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
Construction Excise Tax Admin. Costs	75,000	75,000
6% Excise Tax Revenues	5,005,603	5,040,925
Construction Excise Tax	989,058	953,736
Unfunded Recommendations	\$0	\$0
Construction Excise Tax Rate	0.09%	0.09%
Const. Excise Tax on \$150,000 project	\$134.14	\$129.35
Amt. Raised by each .01% Tax	\$110,602	\$110,602

Assumptions:

- Budget Committee Preliminary Recommendations as of 4/18/94
- \$550,000 Local Service Charge (Dues)
- Budget Committee Preliminary Recommendations as of 4/18/94
- Construction Excise Tax Administrative Costs estimated in "Strategic Funding Report," dated July 22, 1993 were "negligible".
- No exclusions from Construction Excise Tax

Alternative #6
 Base Case Plus Construction Excise & Real Estate Transfer Taxes
 Including 4/20/94 Budget Committee Recommendations

	<u>\$74 per Ton</u>	<u>\$75 per Ton</u>
Budget Committee Recommendations	\$5,919,661	\$5,919,661
Construction Excise Tax Admin. Costs	75,000	75,000
Real Estate Transfer Tax Admin. Costs	100,000	100,000
Transfer Tax One-Time Set Up Costs	250,000	250,000
6% Excise Tax Revenues	5,005,603	5,040,925
Construction Excise Tax	669,529	651,868
Real Estate Transfer Tax	669,529	651,868
Unfunded Recommendations	\$0	\$0
Construction Excise Tax Rate	0.06%	0.06%
Const. Excise Tax on \$150,000 project	\$90.80	\$88.41
Amt. Raised by each .01% Tax	\$110,602	\$110,602
Real Estate Transfer Tax Rate	0.02%	0.02%
Real Est. Xfer Tax on \$150,000 sale	\$28.23	\$27.49
Amt. Raised by each .01% Tax	\$355,749	\$355,749

Assumptions:

- Budget Committee Preliminary Recommendations as of 4/18/94
- \$550,000 Local Service Charge (Dues)
- Budget Committee Preliminary Recommendations as of 4/18/94
- Construction Excise Tax Administrative Costs estimated in "Strategic Funding Report," dated July 22, 1993 were "negligible".
- No exclusions from Construction Excise Tax
- Real Estate Transfer Tax Administrative Costs as estimated in "Strategic Funding Report," dated July 22, 1993
- No exclusions from Real Estate Transfer Tax
- Includes \$250,000 one time set-up cost of RET collection

Alternative #7
Income Tax
Including 4/20/94 Budget Committee Recommendations

	<u>Need</u>	<u>Income Tax Rate</u>
Budget Committee Recommendations	\$5,919,661	0.11%
Replace Local Dues	\$550,000	0.01%
Greenspaces Operations	\$1,000,000	0.02%
Arts/Cultural Funding Report	\$14,100,000	0.25%
Parks Operations	\$1,000,000	0.02%
Income Tax Administrative Costs	Included in rate, see note below	
Total	\$22,569,661	0.41%
Amt. Raised by each .01% Tax	\$554,443	
	State	
	"Taxable Balance"	Tax Per
	<u>Income</u>	<u>0.15% Rate</u>
	\$0-20,000	\$0.00
	\$30,000	\$15.00
	\$50,000	\$45.00
	\$70,000	\$75.00

Assumptions:

Budget Committee's preliminary recommendations as of 4-18-94

Tax is applied as a regional income tax on the Oregon Tax taxable balance.

Allowance for income tax administrative costs (3% per Cultural Funding Report, March 1994) included in income tax rate.

First \$20,000 of taxable income is exempt from regional income tax.

Income Tax applied to corporations also.



METRO

*Budget
committee
minutes
4/21/94 #2*

DATE: April 21, 1994
 TO: Budget Committee
 FROM: Casey Short *CS*
 RE: Budget Notes

I have two budget notes to recommend for Budget Committee consideration, dealing with the Zoo and the Spectator Facilities Fund.

SPECTATOR FACILITIES FUND

Portland Center for the Performing Arts - The \$10,000 special appropriation in support of the Metropolitan Arts Commission and Northwest Business Committee for the Arts is to be used to promote the marketing of PCPA.

Metro Washington Park Zoo

The committee has preliminarily approved inclusion of a budget note regarding the Zoo's contract with the Friends of the Zoo. The language originally submitted reads as follows:

The Zoo shall report to the Regional Facilities Committee in July, 1994 on the status of discussions with the Friends of the Zoo regarding amendments to their March 29, 1985 agreement, as amended on November 28, 1989. A revised agreement shall be prepared by October 1, 1994, and submitted to the Council for consideration.

The Zoo Director indicated at the April 11 Phase 3 meeting that she would prefer language that did not imply Council direction to the independent Friends organization. I suggest the following language, to replace the original draft:

ZOO OPERATING FUND

The Zoo shall report to the Regional Facilities Committee in July, 1994 on the status of discussions with the Friends of the Zoo regarding amendments to their March 29, 1985 agreement, as amended on November 28, 1989. Zoo staff shall make every effort to conclude a revised agreement by October 1, 1994, for submittal to the Council for its consideration.



M E T R O

Budget
Committee
minutes
4/21/94 #3

To: Budget Committee
From: Gail Ryder, Senior Council Analyst
Date: April 21, 1994
Re: Budget Notes

The following budget notes reflect the various votes of the committee regarding the Planning Fund:

1. Solid Waste Assessment for Technical Services: The assessment on the Solid Waste Department for RLIS technical services, which include RLIS Development, RLIS Maintenance, Data Base Maintenance, Forecasts & Modeling, and DRC Management, shall be set at 33.33% of program costs. These transfer revenues are to replace excise tax revenue previous designated for this purpose.

2. Growth Management Division Contractual Support: The \$75,000 of pooled miscellaneous professional services for the Growth Management Division must have Council approval before expenditure.

3. Growth Conference: It is the intent of the Metro Council that the annual Growth Conference be a self-supporting event. The Planning Department is instructed to devote effort toward restructuring the conference or conferences to be self-supporting from conference fees or fully or partially funded from outside contributions.

The Department is further directed to consider other alternatives from the basic conference format, timing and location in order to attract new and larger audiences.

4. Local Government Service Fee: The former revenue category of "Local Government Dues Assessment" shall be permanently retired in favor of the term "Local Government Service Fee".

The Planning Department is directed to restructure within the budget the application of

the service fee so that it is directed toward transportation planning related services, thereby allowing local governments the ability to pass through their individual gas tax revenues for this purpose. The Department will notify local governments of the appropriate amount of the service fee devoted to appropriate gas tax related functions.

5. Permanent Secure Funding for the Planning Fund/Resolution of "Service Fee"

Question: As the Council deliberates during the next year toward a decision on how to secure a permanent source of funding for charter related planning functions, specific time shall be devoted toward final resolution of issues related to local government funding participation in Metro planning activities. Such consideration shall include active discussions with local governments before a final consensus decision is made.

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METRO

Budget
Committee
minutes
4/21/94 #4

To: Budget Committee

From: John Houser, Senior Council Analyst

Date: April 21, 1994

Re: Proposed Budget Notes --Solid Waste Revenue Fund

During the Phase III budget hearing on the Solid Waste Revenue Fund the committee approved six budget notes for inclusion in the budget. These include; 1) preparation of a franchise code, 2) action on non-system license applications, 3) purchase of the pelletizer, 4) acknowledgement of Metro funding of local publications, 5) development of a HHW service proposal for outlying portions of the region, and 6) administration of the Recycling Information Center in the Solid Waste Department.

Franchise Code. The proposed budgets for the past three years have each indicated that a comprehensive revision of the franchise code would be completed during the following year. Since staff intends to revise the facilities portion of the RSWMP during the coming fiscal year, a simultaneous revision of the franchise code would be appropriate. The committee approved the following budget note:

"The Solid Waste Department shall prepare a revision of the franchise code and submit such revisions for Council approval prior to January 1, 1995."

Non-System License. It has come to my attention that two non-system license applications have been pending since 1992. Delays of this length are totally unacceptable. To insure prompt processing of such applications, the committee approved the following budget note:

"It is the Council's intent that the processing of all non-system licenses be completed within 90 days. The Council staff shall be notified of all non-system license applications and staff shall report to the Council Solid Waste Committee concerning the disposition of each application within 90 days of receipt."

Purchase of the Pelletizer. The proposed budget again provides for the issuance of bonds for the purchase of the pelletizer equipment at Metro Central, should Metro choose to exercise its right to purchase this equipment. The committee believes that at the time any purchase decision is proposed that all methods of acquiring the equipment, including outright purchase, should be explored. The following budget note was approved:

"Any staff proposal for Council authorization to proceed with the purchase of the

pelletizer equipment at Metro Central shall include an analysis of all purchase options, including direct purchase through a single purchase payment."

Metro Acknowledgement in Local Publications. Metro contributes challenge grants and other sources of funding to local government to assist in financing their recycling and waste reduction programs. Though these funds are often used to help publish promotional and educational brochures, reports and other types of documents, Metro's financial contribution is frequently not acknowledged. The committee approved the following budget note:

" The Solid Waste Department shall notify all local governments that Metro's financial or technical assistance in the preparation or publication of solid-waste related documents should be acknowledged in such documents."

Mobile HHW Collection Programs. Metro's adopted plan for providing HHW collection in the region provides for the development of a system to collect such wastes in areas that are not geographically close to the permanent facilities at Metro South and Metro Central. To date, these areas have generally been served by sporadic single-day collection events. Some Councilors have expressed concern that the collection needs in these areas and the intent of Metro's adopted plan are not being met through such limited events. The committee adopted the following budget note:

" The Solid Waste Department shall develop a plan for providing year round HHW waste collection services to those portions of western Washington County and east Multnomah County that are not conveniently located near existing permanent collection sites. This plan shall be presented for Council approval prior to January 1, 1995."

Recycling Information Center and Education Program Administration. During Council consideration of the FY 93-94 budget, Council staff recommended that the RIC and recycling education programs administered in the Solid Waste Department be transferred to the Waste Reduction Division of the Solid Waste Department. Though a budget note was adopted to effect this transfer, the transfer has not yet occurred. The proposed FY 94-95 Budget does provide for the transfer of these functions to the Solid Waste Department, but does not specify how they are to be administered. In the budget documents, the programs are identified as a separate section in the department reporting directly to the Director. Mr. Martin had indicated that he has not yet made a final decision on how these programs will be administered.

During Council debate on this issue last year, several Councilors expressed concern that any decision concerning these programs should be delayed until the proposed audit of the Public Affairs Department had been completed. The final draft of the audit, scheduled to be released this week, recommends that the RIC and education be placed in the Waste Reduction Division of the Solid Waste Department. The draft notes: "As a part of the Waste Reduction Division, the RIC and Education function would have increased coordination and communication with Waste Reduction programs. Personnel from each would participate in planning, meeting, etc."

The committee adopted the following budget note:

" The Recycling Information Center and education programs formerly administered in the Public Affairs Department shall be administered as separate sections within the Waste Reduction Division of the Solid Waste Division. "