

MINUTES OF THE COUNCIL FINANCE COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

February 16, 1989

Council Chamber

Committee Members Present: Tanya Collier (Chair), Richard Devlin, Jim Gardner and Judy Wyers

Committee Member Absent: George Van Bergen (V. Chair)

Other Councilors Present: Roger Buchanan and Gary Hansen

Chair Collier called the meeting to order at 5:45 p.m.

1. Consideration of Minutes of January 5 and January 19, 1989

Motion: Councilor Gardner moved for approval of the minutes.

Vote: Councilors Collier, Devlin, Gardner and Wyers voted aye. Councilor Van Bergen was absent. The vote was unanimous and the minutes were approved.

2. Consideration of Ordinance No. 89-287, for the Purpose of Amending Ordinance No. 88-247 Revising the FY 1988-89 Budget and Appropriations Schedule to Provide Funding for Amending a Contract with Government Finance Associates (GFA) to Staff the Work Program of the Metropolitan Government Finance Committee

Ray Phelps, Director of Finance & Administration, explained the Legislative Task Force on Regional Governments was established by the Oregon Legislative Assembly for the purpose of examining the structure, funding and functions of Metro. The Task Force completed its work in December 1988 and expressed its support for the creation of a regional local government finance committee. He said the goal of the committee would be to develop long-term capital, operating, and maintenance funding priorities for which voter approval could be necessary. Mr. Phelps said the committee included appointees from governmental jurisdictions throughout the region and would operate in an advisory capacity to address issues relating to local tax burdens and competition among local governments for increasingly scarce tax dollars.

Chair Collier asked what the resulting product would be and said she had a different concept of what the Committee's goal was. Mr. Phelps said Executive Officer Cusma and the Council would determine what the Metropolitan Government Finance Committee (MGFC) would accomplish.

Councilor Gardner asked if MGFC was meant to be a long-standing committee. Mr. Phelps said it was scheduled to terminate after a year. The Committee and Mr. Phelps discussed what MGFC would accomplish in the first and second six months, the composition of the committee and regional coordination.

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Don Carlson, Council Administrator, noted there was a revised ordinance for Committee approval; Ordinance No. 89-287A, An Ordinance Amending Ordinance No. 88-247 Revising the FY 1988-89 Budget and Appropriations Schedule to Provide Funding for Amending a Contract with Government Finance Associates to Staff the Work Program of the Metropolitan Government Finance Committee and Approving a Contract Extension. Responding to Councilor Collier's question, Mr. Carlson explained potential procedural problems with Ordinance No. 89-287. Mr. Carlson said it was unclear whether Council approval of the contract extension was required or needed and that the Metro Code limited the extension of personal service contracts beyond three years without solicitation of competitive proposals. He said the Council should approve a contract extension. Mr. Carlson said a Request for Proposals (RFP) for a new contract for financial services would be issued at the appropriate time.

Councilor Gardner said the Metropolitan Government Finance Committee appeared to be a worthy enterprise.

Motion: Councilor Gardner moved to recommend the full Council adopt Ordinance No. 89-287A.

Vote: Councilors Collier, Devlin, Gardner and Wyers voted aye. Councilor Van Bergen was absent. The vote was unanimous and the motion passed.

3. Consideration of Ordinance No. 89-283, for the Purpose of Amending Ordinance No. 88-247 Revising the FY 1988-89 Budget and Appropriations Schedule to Provide Funding for Implementation of the Waste Reduction Program in Compliance with the Department of Environmental Quality (DEQ) Stipulation and Final Order (Public Hearing)

Stephanie Hallock, DEQ, said she heartily recommended the Committee recommend adoption of the ordinance to the Council. She said it represented a cooperative effort between DEQ and Metro. Ms. Hallock said not to regard it as a stipulated order, but as a Metro plan.

Bob Martin, Director of Solid Waste, and Rich Carson, Director of Planning and Development, briefed the Committee on the ordinance. Mr. Martin said much staff effort had pulled together a budget amendment which combined all of the solid waste elements. He discussed solid waste sub-projects and said a solid waste reduction plan would increase the life of the landfill and said additional staff was necessary to achieve the goals required by DEQ and the Environmental Quality Commission (EQC). He referred to the 1986 Waste Reduction Plan and said there had not been sufficient staff to implement the plan at that time. He said this ordinance would avoid that problem. He described proposed added staff for solid waste projects. He said a contracts officer was needed to monitor 70 solid waste contracts. He said some contracts involved large dollar amounts such as the landfill and transportation contracts. He said there was also a need for an

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accounts receivable/collections officer to monitor and follow delinquent solid waste accounts.

Councilor Wyers said the Solid Waste Committee considered the recommended FTE for the expanded Waste Reduction Program February 14. She said the Committee agreed with the waste reduction programs in the EQC Stipulation and Final Order and proposed FTE, but said the Solid Waste Committee was still concerned about the language in the Order. She said questions were raised at that meeting about what standards DEQ would use to judge Metro; whether DEQ could judge Metro's progress and take any action before project end dates; what exactly DEQ consensus was; and what the process would be if Metro and DEQ disputed any aspect of the Plan in the future.

Councilor Devlin asked if proposed staff would be hired at an entry level salary or mid-salary range. Mr. Martin said half the positions would be filled at entry level and half at mid-range. Mr. Martin said the long-term effect of the request for additional staffing would be difficult to predict. He said it would be best to review the Summary of Work in the Order.

Councilor Devlin referred to Council staff's report which asked about differences between various proposed Planning and Development projects; the definition of System Design Planning Project; what would happen to additional FTE hired after program deadlines were met under the Order; and why Metro would purchase curbside containers for recycling in "one county," in addition to other related questions. He asked staff to respond to those questions in writing.

Metro's credit policy was then discussed. Mr. Martin said Metro probably had the authority to deny solid waste disposal services. Mr. Phelps said there were a substantial amount of delinquent accounts. He said one FTE assigned to delinquent accounts could develop an intimate knowledge of the issues and problems involved. Chair Collier asked if collectors signed contracts with Metro. Mr. Phelps said collectors signed contracts and also were required to offer collateral. Councilor Gardner asked if requested FTE would develop such policy or pursue payment. The Committee and staff discussed Executive Order No. 10, the Metro Solid Waste Disposal Facilities Credit Policy. They agreed the policy, which is consistent with the Oregon Revised Statutes, was a difficult one to enforce. Mr. Martin said interest was collected on delinquent accounts. Chair Collier asked to see Metro's current credit policy and Mr. Phelps said he would report back to the Committee at their next meeting.

Councilor Devlin asked if Council would act on a modification of these policies. Mr. Phelps did not anticipate such action.

The Committee and staff further discussed the ordinance. Mr. Martin said the ordinance was a budget amendment which addressed four separate areas: 1) adding seven full-time positions to the Solid Waste Department; 2) 2.5

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FTE to the Planning and Development Department; 3) 1 FTE to the Public Affairs Department; and 4) 1 FTE to Finance and Administration. Of the total FTE, 8.5 were specifically to complete the Waste Reduction Program and the remaining FTE Solid Waste staff considered crucial: one position to handle the Metro East Transfer Station procurement; one person to handle contracts; and one person to manage Solid Waste Accounts Receivable. Councilor Hansen said the Solid Waste Committee had been updated via quarterly reports, but were not briefed for this request and said at the Solid Waste Committee these options were not presented as a package. Mr. Carlson said all the positions were funded by Solid Waste except for the one Finance & Administration position.

Chair Collier asked what system design was and how the programs would coordinate. The Committee and staff discussed the regional yard debris program and 1 FTE proposed to coordinate local planning jurisdictions. Becky Crockett, Senior Analyst, explained system design was how the regional solid waste programs and facilities fit together. She said system design was essentially the crux of the Stipulation and Final Order. The Committee and staff discussed the Order further.

Chair Collier called a recess at 7:32 p.m. The Committee reconvened at 7:41 p.m.

Chair Collier requested Jessica Marlitt, Council Analyst, review the questions in Council staff's report and asked Councilor Wyers to present the Committee report to the Council.

Debbie Gorham, Waste Reduction Manager, briefed the Committee on the recycling container appropriation. She said studies conclusively showed householders were not willing to buy containers to recycle. Chair Collier asked Councilor Hansen if the Solid Waste Committee discussed the purchase of containers. He said the Committee did not, but that it was commendable thinking.

Estle Harlan, Tri-County Council, said certification and artificial rate setting had been problematic. She said for those reasons the new solid waste plan was an improvement and a more workable plan. She met with haulers who she said were enthusiastic and said the region in general was receptive. She did not give an opinion on FTEs requested, but noted the region did need additional special purpose landfills, flow-control and said improper disposal was a problem. She said the Order appeared workable. She discussed the accounts receivable FTE requested. She said the City of Portland did not realize the problem haulers had with collection of accounts and said management of the problem was necessary. She said routes could be consolidated and technology and service standards could be instituted to control costs. She noted some companies offered rates lower than the real cost of disposal to attract customers which caused an adverse snowball effect.

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Peter Spendalow, DEQ, thanked Ms. Harlan for her support of the Order. He encouraged the Committee to recommend original Ordinance No. 89-283 and not Ordinance No. 89-283A. He said because of the Order, Metro would implement programs called for previously.

Chair Collier noted the ordinance was referred to the Finance Committee by the Solid Waste Committee. She asked Mr. Spendalow why there was concern that Metro not like the Order since a Stipulation and Final Order was a mandate which had to be fulfilled anyway. Mr. Spendalow said the current situation was different than in 1986 because Metro would have sufficient staffing to implement necessary programs.

Mr. Carlson said Presiding Officer Ragsdale suggested separation of the Order from the budget requests and creation of a resolution as a vehicle to adopt the Order. He said such a resolution could be returned to the Solid Waste Committee for further discussion and Ordinance No. 89-283A would serve budget purposes only. He said the Solid Waste Committee could meet with the EQC and determine language.

Councilor Wyers said many more questions were raised at the Solid Waste Committee and said the Order should return for further consideration.

Councilor Hansen said there were real concerns at the Solid Waste Committee. He said there was agreement on the programs recommended to the Finance Committee for funding. Because Metro would have to comply with the Order once adopted, he said correct language was essential. Councilor Hansen doubted whether the ordinance and resolution could be considered by the Council at the same time. The Committee and staff discussed the issues further.

Motion: Councilor Gardner moved to recommend the full Council adopt Ordinance No. 89-283A.

Councilor Gardner said the Stipulation and Final Order was not an item necessary for the Finance Committee to recommend and that the Committee only had to discuss the financial aspects. He said his motion should not be interpreted that the Finance Committee rejected the Order outright. He noted he was a member of the original Solid Waste Policy Advisory Committee, predecessor to the Council Solid Waste Committee, and said he had worked on the 1986 Waste Reduction Plan.

Vote: Councilors Collier, Devlin, Gardner, and Wyers voted aye. Councilor Van Bergen was absent. The vote was unanimous and the motion passed.

Chair Collier deferred consideration of Agenda Item Nos. 4, 5, 6 and 7.

4. Follow-up on Actions Requested of Metro Staff in Response to the FY 1987-88 Financial Audit (Solid Waste Tonnage Reports and Draft Executive Order on Credit Cards)

Deferred.

5. Discussion Concerning the Community Relations Position

Deferred.

6. Metropolitan Government Finance Committee Status Report

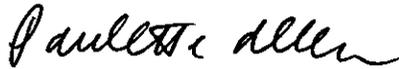
Deferred.

7. Update on the FY 1989-90 Budget Process

Deferred.

Chair Collier adjourned the meeting at 8:35 p.m.

Respectfully submitted,



Paulette Allen  
Committee Clerk  
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