

MINUTES OF THE COUNCIL SOLID WASTE COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

July 10, 1990

Council Chamber

Committee Members Present: Gary Hansen (Chair), Larry Bauer (Vice Chair), Tom DeJardin and Judy Wyers

Committee Members Absent: Roger Buchanan

Other Councilors Present: George Van Bergen

Chair Hansen called the special meeting to order at 3:00 p.m.

1. Workshop to Discuss Solid Waste Disposal Credits for Certain Non-Profit Recycling Organizations

Bob Martin, Director of Solid Waste, said Coalition representatives were present to discuss disposal cost rate relief for charitable non-profit recycling agencies. He said such agencies were experiencing problems due to illegal dumping and related problems. He said staff met with Coalition representatives July 9 to determine what support should be provided to the agencies. He said staff developed a workable concept which would award varying degrees of recycling success. He said the program itself would be relatively easy to track and administer.

Pam Kambur, Associate Management Analyst, discussed how Metro could give charitable recycling agencies disposal credits. She said the more an agency recycled, the more credits it would receive. She discussed impacts on Metro solid waste rate revenue and how the credits would be financed.

Mr. Martin said the credits could be disbursed on an annual basis based on recycling levels achieved in the preceding calendar year.

Chair Hansen asked for General Counsel Dan Cooper's opinion. Mr. Cooper said he did not know all the facts regarding the organizations and their religious connections. He said there was no Oregon precedent for this type of funding or credit program. He said he would work with staff and the Coalition to obtain more facts. He said the Committee should be aware there were some possible constitutional impediments.

Councilor DeJardin noted the charitable recyclable agencies received their funds from recycled goods and were not exclusive to any one particular denomination. Councilor Wyers asked Mr. Cooper to explain Oregon statutory language. Mr. Cooper said the federal constitution had "no infringement of religion" language which applied to issues such as school prayer. He said Oregon's constitution contained language which absolutely prohibited the payment of any public monies for religious purposes. He said the Oregon Supreme Court had narrowly interpreted that language in the past.

Councilor Van Bergen expressed concern about separation of powers between church and state and said a legal opinion was necessary before the Council decided what to do.

COUNCIL SOLID WASTE COMMITTEE

July 10, 1990

Page 2

Mr. Martin said staff suggested a sliding scale program and only for recycling achieved at the 70 percent volume or above. He said no entity had reached 70 percent recycling volume as yet. He noted Metro would not pay any entities, but would bear the cost of disposal for organizations which qualified for disposal credit. He said as staff developed policy, staff would inform the Committee of all budget impacts. He said staff was not recommending raising the rates to subsidize the disposal credits. He said whatever funding level the Committee determined was necessary was probably feasible.

Councilor DeJardin said the 15 percent increments offered by staff appeared to offer incentive to the Coalition.

Shirley Gallison, Goodwill Industries, said with regard to the religious and secular issues raised at this meeting, that the City of Eugene had already established a rate reduction for nonprofit charitable associations. Ms. Gallison asked Mr. Cooper if he had seen the "Eligibility Criteria" on agenda page 6. Mr. Cooper said he was not concerned by the criteria itself, but with what religious involvement the associations themselves were involved with. He said Metro could not be involved with the advancement of a religious purpose itself. Ms. Gallison asked if the criteria should address the religious/secular issues. Mr. Cooper said Mr. Martin had stated the disposal credits would assist Metro in recycling, but that he wanted to establish any other incidental facts that might or might not be related to these issues. Ms. Gallison said after meeting with staff, Metro appeared very interested in rate relief. She said Goodwill reused 58 percent of what they collected. She expressed concern about rising rates. She said this fiscal year the funds would come from Contingency, and the disposal credits could be budgeted in budgets thereafter. Ms. Gallison noted the Coalition had requested rate relief for the past several years.

Chair Hansen and Mr. Martin discussed budgeting issues for this and future fiscal years. Councilor DeJardin asked if some fast track funding could be arranged immediately via a budget amendment from Contingency and then staff could arrange a permanent funding solution during the FY 1991-92 Budget process. Mr. Martin said it would be difficult to obtain the necessary \$300,000 from this year's budget for disposal credit relief. Councilor Wyers asked why it would be difficult to obtain funding from Contingency this fiscal year. Mr. Martin said he referred to transfer issues in general. Mr. Martin said staff recommended continuing with funding that did not impact the rates themselves. Councilor Wyers asked what entities were subsidized in Eugene. Ms. Gallison said Eugene assisted nonprofit charitable associations and that Goodwill of Eugene received assistance. A Deseret Industries representative present noted Deseret did not have operations in Eugene.

Chair Hansen said staff could develop funding for immediate needs. He said current action would not bind the Council to a certain process and noted when the Budget Committee reviewed general government funding,

COUNCIL SOLID WASTE COMMITTEE

July 10, 1990

Page 3

charitable recycling agencies could receive a higher level of subsidy. He asked Mr. Martin what percentage of the excise tax would come from solid waste rates. Mr. Martin said approximately 88 percent. He said there would be no impact on the rates because the excise tax was separate from the rate itself. He said the rate payer would pay more of the excise tax, but that it was still a general source of revenue. Ms. Gallison said it was obvious the Coalition would have to continue working with Metro during each budget process, but asked if it was possible to consider the 10 percent rate of increment instead of other options presented by staff.

Chair Hansen directed staff to draft a resolution to give staff direction on the issues. Councilor DeJardin asked if the Committee could make any decision at this meeting before Legal Counsel gave its opinion. Mr. Cooper said that was possible, but said an opinion would not be ready by the July 12 Council meeting. Chair Hansen asked if an ordinance title could be prepared for first reading for Council meeting July 26.

The Committee and Ms. Gallison discussed the issues further. Councilor DeJardin wanted to ensure that other smaller nonprofit agencies were not discriminated against. Ms. Gallison said tonnage requirements could be lowered for smaller agencies which fit the same criteria as the larger agencies. Mr. Martin stated for the record staff had developed criteria for all groups that provided the overall recycling strategy for the region that Metro required. He said if a new group expressed interest in performing similar recycling activity they could receive disposal credits also.

Chair Hansen requested language in the resolution or ordinance based on previous Committee discussion for program exemptions. He said if one of the organizations developed a new endeavor such as rebuilding old mattresses that would involve some necessary disposal, but would recycle materials, he wanted the organizations to be exempt from disposal charges for those programs which would recycle materials.

Chair Hansen adjourned the meeting at 4:00 p.m.

Respectfully submitted,



Paulette Allen  
Committee Clerk  
SWC90.191