

MINUTES OF THE PLANNING & DEVELOPMENT COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

March 1, 1988

Committee Members Present: Councilors David Knowles (Chair),
Tanya Collier (Vice Chair), Mike
Ragsdale, Richard Waker

Committee Members Absent: Councilor Mike Bonner

Meeting was called to order at 5:35 p.m. by the Chairman David Knowles. All committee members except Counselor Bonner were in attendance. Also in attendance was Ray Phelps, Director of Finance and Administration, and Greg McMurdo, Government Relations Manager.

The Chairman began the meeting with a discussion on the preliminary meetings being held between the official heads of Metro, City of Portland, Multnomah County, Clackamas County and Washington County to set up a task force to study regional financing. Primarily where the funds come from to operate governments, and how much is available, what resources are available, what are the long range financing solutions for all the governments in the region. One of the major premises is that local governments rely too heavily on property tax. What other sources of funding are available while still avoiding competition for the same funding? At the next meeting, they will be presenting names of people to work on the task force. Ray Phelps and Chairman Knowles would be interested in any names the Planning and Development Committee members wish to put forward.

Chairman Knowles began the evening's discussion on long range financial policies for Metro by noting that it was a continuation of the previous week's discussion on possible sources of revenue. Don Carlson distributed a memo containing background information on the history of Metro's current financial policy along with some policy questions that the Planning and Development Committee may wish to address. Councilor Knowles pointed out that the primary reason for the evening's discussion was that Metro must begin to make some decisions on financing the government, and the immediate question is whether to ask the voters for a tax base in the next election.

Several funding sources will expire soon, such as the local government dues in June 1989, and the Zoo tax levy for operating and capital expenses in June 1990. There is a potential loss of \$625,000 in local dues alone, and more in matching funds that the dues were used to support. Although the Zoo has been supported by the voters in the past for their serial levies, there is the potential loss of 1/2 of their operating funds every three years.

Don Carlson asked the committee members to look at Chart C attached to the policy memo. This was a diagram of how the Metro policies segregate revenue sources by each functional area of use. One of the primary questions now that some of the funding may be eliminated is should Metro consider a tax source that covers all of the functions? Councilor Waker noted that none of the other local governments

separated out the governmental services in this manner and did not feel it was good policy. Councilor Knowles felt that the discussion should begin with what Metro should do about the tax base, what were the alternatives and underlying policies. Another approach introduced by Councilor Ragsdale, was to decide what services did Metro want to offer in 1989, and then to decide how best to finance those those operations and what modification is the best way to achieve that financing.

Councilor Knowles agreed that those were some of the questions to be asked, but noted that one of the alternatives of financing, that of the tax base measure in November 1988, needed to have a decision made or it would be eliminated as an alternative due to lack of time. Councilor Ragsdale posed the question and the committee members agreed that they did not want to discuss going out for a tax base in November of '88. After further discussion, Councilor Ragsdale proposed a conceptual motion that it was imprudent to look at a tax base for Metro in November of 1988, because of the short time line, and the fact that the task force still had to clearly delineate what services were going to be offered, and was still in the process of reevaluating those services. Councilor Waker seconded the motion. The Chairman would draft up a resolution and get it on the agenda for two weeks from now.

Councilor Ragsdale felt that one way to approach the subject of services from a work planning situation, was to divide up the components and discuss two or more in a meeting night to define them. What is the scope and framework, does the Council agree or disagree with the Planning & Development Committee?

During the evening's discussions, Councilor Collier asked that the subject of libraries be put on the agenda for discussion.

Councilor Knowles questioned whether it was appropriate for the committee to be examining existing functions.

Don Carlson mentioned that what the transfer of funds does to the funding system is not allow any discretionary money in the general fund to do park studies, or planning studies, because those activities cannot be attributed back to the specific functional areas such as the Zoo or solid waste.

At the close of the meeting, Councilor Knowles indicated that he would work to get a resolution together for the next meeting on the question of the tax base, and would begin to structure a series of meetings around the functional areas with the idea that they will meet both the needs of the task force and address the financial questions.

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There was no further business and the meeting was adjourned at 6:45
p.m.

Respectfully submitted,

Pam Juett
Clerk