



# METRO

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Agenda

**REVISED AGENDA:** Please note Agenda Item No. 7.1 has been added and that "Councilor Communications and Committee Reports" is renumbered as Agenda Item No. 8

DATE: July 23, 1992  
MEETING: METRO COUNCIL  
DAY: Thursday  
TIME: 5:30 p.m.  
PLACE: Metro Council Chamber

Approx.  
Time\*

Presented  
By

5:30  
(5 min.)

## ROLL CALL/CALL TO ORDER

1. INTRODUCTIONS
2. CITIZEN COMMUNICATIONS TO THE COUNCIL ON NON-AGENDA ITEMS
3. EXECUTIVE OFFICER COMMUNICATIONS

5:35  
(5 min.)

4. CONSENT AGENDA (Action Requested: Motion to Adopt the Consent Agenda)

## REFERRED FROM THE REGIONAL FACILITIES COMMITTEE

- 4.1 Resolution No. 92-1649, For the Purpose of Adding Members to the Funding Task Force for Regional Facilities and Programs

## REFERRED FROM THE TRANSPORTATION & PLANNING COMMITTEE

- 4.2 Resolution No. 92-1627, For the Purpose of Establishing the Region's Priority Congestion Mitigation/Air Quality Program Projects for Inclusion in ODOT's Six-Year Program
- 4.3 Resolution No. 92-1644, For the Purpose of Establishing Administrative Procedures Between Metro and ODOT for Use and Exchange of FAU, STP and State Funding
- 4.4 Resolution No. 92-1645, For the Purpose of Revising the Portland Metropolitan Area's Urbanized Transportation Boundary to Establish the Area Eligible for Metro STP Funds
- 4.5 Resolution No. 92-1646, For the Purpose of Endorsing Commitment of Tri-Met General Obligation Bonds to East Portland/Clackamas County LRT Development and Westside Credit Enhancement

## REFERRED FROM THE SOLID WASTE COMMITTEE

- 4.6 Resolution No. 92-1651, For the Purpose of Confirming the Appointment of Del Seitzinger, Stefanie Graff and Arnold Polk to Fill Vacancies on the 1% for Recycling Advisory Committee

## REFERRED FROM THE FINANCE COMMITTEE

- 4.7 Resolution No. 92-1653, For the Purpose of Approving a Request for Proposal Document for Performance Audit Services

\* All times listed on this agenda are approximate; items may not be considered in the exact order listed.

5:40  
(5 min.)

**5. ORDINANCES, FIRST READINGS**

- 5.1 Ordinance No. 92-467, For the Purpose of Approving the Revision of Metro Code Section 2.02.275, Zoo Visitor Services Employees (Action Requested: Referral to Governmental Affairs Committee)
- 5.2 Ordinance No. 92-468, For the Purpose of Approving an Increase in the Transfer Rate for the Forest Grove Transfer Station (Action Requested: Referral to Solid Waste Committee)

**6. RESOLUTIONS**

REFERRED FROM THE TRANSPORTATION & PLANNING COMMITTEE

5:45  
(1 hr.)

- 6.1 Resolution No. 92-1637, For the Purpose of Considering Adoption of the Metropolitan Greenspaces Master Plan PUBLIC HEARING (Action Requested: Motion to Adopt the Resolution)

Devlin

REFERRED FROM THE FINANCE COMMITTEE

6:45  
(15 min.)

- 6.2 Resolution No. 92-1639A, For the Purpose of Submitting to the Voters Questions of Contracting a General Obligation Bond Indebtedness in the Amount of \$200 Million and Authorization to Proceed with the Financing, Acquisition, Development, Operations, and Maintenance of a Regional System of Greenspaces PUBLIC HEARING (Action Requested: Motion to Adopt the Resolution)

Hansen

7:00  
(5 min.)

- 6.3 Resolution No. 92-1638A, For the Purpose of Considering District Policy to Allocate Excise Taxes Toward Operation and Maintenance of Metro-Managed Greenspaces Until Other Funds are Available (Action Requested: Motion to Adopt the Resolution)

Devlin

7:05

**RECESS** (10 minutes)

REFERRED FROM GOVERNMENTAL AFFAIRS COMMITTEE

7:15  
(1 hr.)

- 6.4 Resolution No. 92-1650, For the Purpose of Submitting to the Voters the Question of Whether Legislation Should be Adopted to Authorize the Voters to Abolish Multnomah, Washington and Clackamas Counties, the Metropolitan Service District, and Tri-Met, and Create a Single Consolidated Government PUBLIC HEARING (Action Requested: Motion to Adopt the Resolution)

REFERRED FROM THE TRANSPORTATION & PLANNING COMMITTEE

8:15  
(5 min.)

- 6.5 Resolution No. 92-1647A, For the Purpose of Accepting ODOT's Recommended Six-Year Program Reductions (Action Requested: Motion to Adopt the Resolution)

McLain



6. RESOLUTIONS (Continued)

REFERRED FROM THE SOLID WASTE COMMITTEE

- 8:20  
(10 min.)      6.6 Resolution No. 92-1654, For the Purpose of Making Areas  
Outside the Metro Boundary Eligible to Receive "Metro  
Challenge" Grants (Action Requested: Motion to Adopt the  
Resolution)

6. RESOLUTIONS (Continued)

REFERRED FROM THE FINANCE COMMITTEE

- 8:30  
(20 min.)      6.7 Resolution No. 92-1648A, For the Purpose of Directing the      Wyers  
Metropolitan Exposition-Recreation Commission to Prepare a  
Plan for the Financial Management of the Finance Committee  
Spectator Facilities Fund (Action Requested: Motion to  
Adopt the Resolution)

7. NON-REFERRED RESOLUTIONS

- 8:50  
(5 min.)      7.1 Resolution No. 92-1658, For the Purpose of Accepting      Gardner  
Corrected May 19, 1992 Primary Election Abstract of Votes  
for Metropolitan Service District Council District 4  
(Action Requested: Motion to Adopt the Resolution)

8:50  
(15 min.)      8. COUNCILOR COMMUNICATIONS AND COMMITTEE REPORTS

- 8.1 Status Report on Council Retreat      Gardner  
8.2 Status Report on 1 $\frac{1}{2}$  for Art for Metro Headquarters      Gardner  
Building

9:05      ADJOURN

Meeting Date: July 23, 1992  
Agenda Item No. 4.1

RESOLUTION NO. 92-1649



## REGIONAL FACILITIES COMMITTEE REPORT

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RESOLUTION NO. 92-1649, ADDING MEMBERS TO THE FUNDING TASK FORCE FOR REGIONAL FACILITIES AND PROGRAMS

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Date: July 15, 1992

Presented by: Councilor McLain

**COMMITTEE RECOMMENDATION:** At its July 14, 1992 meeting the Regional Facilities Committee voted 4-0 to recommend Council adoption of Resolution No. 92-1649. Voting were Councilors McLain, Collier, Gronke, and McFarland. Councilor Washington was absent.

**COMMITTEE DISCUSSION/ISSUES:** Regional Facilities Project Manager Pam Erickson presented the staff report. Resolution No. 92-1590B was adopted by the Council in April, 1992, naming members to the Funding Task Force for Regional Facilities and Programs. At that time there were three positions on the task force that had not been filled by the appointing authorities, and Resolution 92-1590B stipulated that those vacancies would be filled by Council approval of a subsequent resolution. Resolution No. 92-1649 would approve the appointment of the following task force members, with appointing authorities noted:

Sho Dozono, President, Azumano Travel (Multnomah County citizen)  
Jerry Drummond, President, Pacificorp (Business Committee for the Arts)

John Marshall, Director, Community Resources and Public Information  
for the City of Vancouver, Washington (Clark County, Washington)

There was no committee discussion.

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADDING	)	RESOLUTION NO. 92-1649
MEMBERS TO THE FUNDING TASK	)	INTRODUCED BY RENA CUSMA
FORCE FOR REGIONAL FACILITIES AND	)	EXECUTIVE OFFICER
PROGRAMS		

WHEREAS, the Council of the Metropolitan Service District approved Resolution No. 92-1556 authorizing the Executive Officer to undertake a planning and development effort to address the specific financial needs of the region's performing arts and entertainment facilities and the Arts Plan 2000 Plus agenda for the arts; and

WHEREAS, the Council of the Metropolitan Service District adopted Resolution No. 92-1590B establishing the Funding Task Force for Regional Facilities and Programs and confirming members; and

WHEREAS, three positions on the Task Force remain to be filled; now therefore,

BE IT RESOLVED, THAT:

The following people are appointed by the Executive Officer to the Funding Task Force for Regional Facilities and Programs and hereby confirmed: Sho Dozono, President, Azumano Travel (Multnomah County citizen); Jerry Drummond, President, Pacificorp (Oregon Business Committee for the Arts); and John Marshall, Director, Community Resources and Public Information, City of Vancouver (Clark County, Washington representative).

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

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Jim Gardner, Presiding Officer

# EXHIBIT A

## FUNDING TASK FORCE FOR REGIONAL FACILITIES AND PROGRAMS

<u>Entity Represented</u>	<u>Task Force Member</u>
Clackamas County Board of Commissioners	Judie Hammerstad Clackamas County Commissioner
Clackamas County Citizen	Alice Norris Executive Director, Oregon Trail Pageant
Clackamas County Citizen	Peter Journey Senior Vice President, Morley Capital Management
Multnomah County Board of Commissioners	Pauline Anderson Multnomah County Commissioner
Multnomah County Citizen	Larry Cooper Owner, Cooper Equipment
Multnomah County Citizen	Sho Dozono President, Azumano Travel
Washington County Board of Commissioners	Linda Peters Washington County Commissioner
Washington County Citizen	Tim Estes General Manager, Greenwood Inn
Washington County Citizen	Gayle Darr Speech and Language Pathologist, Vernonia School District President, Hillsboro Community Arts Inc.
Arts Plan 2000+	Bing Sheldon Architect, SERA Architects
Metropolitan Exposition- Recreation Commission	Ben Middleton CPA
PCPA Advisory Committee	Pam Baker Executive Vice President, Dickinson Consulting Group
Metropolitan Arts Commission	Clark Worth Partner, Barney & Worth
Business Committee for the Arts	Jerry Drummond President, Pacificorp
Performing Arts Group	Robert Van Brocklin Attorney, Stoel Rives Boley Jones & Grey Board Member, Oregon Shakespeare Festival/Portland



Visual Arts Group

Melvin "Pete" Mark  
President, Melvin Mark Properties;  
President, Oregon Art Museum Board of  
Directors

Hospitality Industry

Harold Pollin  
General Manager, Sheraton Portland  
Airport Hotel

City of Portland

Mike Lindberg  
City Commissioner

City of Portland Citizen

David Knowles (Task Force Chair)  
Attorney, Davis Wright Tremaine

Metropolitan Service District

Ed Washington  
Councilor

Rena Cusma  
Executive Officer

Clark County, Washington

John Marshall  
Director, Community Resources and Public  
Information, City of Vancouver

## Staff Report

### CONSIDERATION OF RESOLUTION NO. 92-1649 FOR THE PURPOSE OF ADDING MEMBERS TO THE FUNDING TASK FORCE FOR REGIONAL FACILITIES AND PROGRAMS

Date: July 6, 1992

Presented by: Pam Erickson

#### Background

In February, the Council unanimously approved Resolution No. 92-1556 which authorized the Executive Officer to undertake a planning effort to address the financial needs of the region's arts and entertainment facilities and the Arts Plan 2000+ agenda. In April, the Council unanimously approved Resolution No. 92-1590B which established the Funding Task Force for Regional Facilities and Programs and confirmed members of the Task Force. At that time, three positions on the Task Force were left unfilled. Resolution No. 92-1649 fills those three positions.

Attached as Exhibit A is a roster for the Task Force including the members proposed to be added by this resolution.

#### Executive Officer Recommendation

The Executive Officer recommends approval of Resolution No. 92-1649.

Meeting Date: July 23, 1992  
Agenda Item No. 4.2

RESOLUTION NO. 92-1627



## TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1627 FOR THE PURPOSE OF ENDORSING ESTABLISHMENT OF REGION'S PRIORITY CONGESTION MITIGATION/AIR QUALITY PROGRAM PROJECTS FOR INCLUSION OF ODOT SIX-YEAR HIGHWAY PROGRAM

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Date: July 15, 1992

Presented by: Councilor Devlin

Committee Recommendation: At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1627. Voting in favor: Councilors Devlin, McLain, Buchanan. Excused: Councilors Bauer and Washington.

Committee Issues/Discussion: Andrew Cotugno, Planning Director, presented the staff report. Resolution 92-1627 establishes the priority of the region for a new category of federal highway funds; Congestion Mitigation/Air Quality (CMAQ), created under the Intermodal Surface Transportation Efficiency Act (ISTEA). The prioritized list was developed by the TPAC Transportation Demand Management (TDM) Subcommittee and approved by TPAC and JPACT.

This resolution is similar to a Council action taken last month with Transportation Enhancement funds. The resolution recommends the Oregon Transportation Commission fund the CMAQ Program at a maximum of two years, rather than six, in order to allow the Governor's Task Force on Automobile Emissions to complete their work.

The original list of proposed projects was reduced and consolidated into four categories consistent with CMAQ eligibility guidelines: 1) bicycle/pedestrian; 2) TDM; 3) transit; and 4) TSM/signals/ channelization. The projects were then ranked with criteria oriented towards identifying projects which 1) contribute to attainment of national ambient air quality standards, 2) reduce congestion, 3) have a high degree of commitment, and 4) where CMAQ funds are critical. Through this process, project were added and deleted. There was insufficient time to rank the added projects.

TPAC tabled the resolution in May with several comments to the subcommittee. They requested the subcommittee: 1) identify immediate needs projects, as requested by the Department of Environmental Quality; 2) re-examine all projects for air quality benefits consistent with eligibility requirements and be re-ranked; and 3) rank the unranked projects added previously. This was accomplished in June.

The final decision of how many years to fund rests with the Oregon Department of Transportation. Oregon's allocation of CMAQ funds for two years is estimated at \$9.7 million and at \$31 million for six years.

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ESTABLISHING )	RESOLUTION NO. 92-1627
THE REGION'S PRIORITY CONGESTION)	
MITIGATION/AIR QUALITY PROGRAM )	Introduced by
PROJECTS FOR INCLUSION IN ODOT'S)	Councilor Richard Devlin
SIX-YEAR PROGRAM )	

WHEREAS, The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 included a new Congestion Mitigation/Air Quality (CMAQ) Program for funding clean air and congestion-related projects in carbon monoxide and ozone non-attainment areas; and

WHEREAS, The Portland metropolitan area is designated as non-attainment for both pollutants; and

WHEREAS, The ISTEA stipulates that states shall allocate CMAQ funds in cooperation with the designated Metropolitan Planning Organizations (MPOs); and

WHEREAS, Metro is the designated MPO for the Portland metropolitan area; and

WHEREAS, The state is currently programming funds, including for the first time the new CMAQ Program funds, through the update of the Oregon Department of Transportation's 1993-1998 Six-Year Transportation Improvement Program; and

WHEREAS, In the absence of established ranking criteria and guidance from the Regional Transportation Plan (RTP), the Joint Policy Advisory Committee on Transportation has used interim criteria to develop a consensus as to the region's immediate-need priority CMAQ projects for inclusion in the Six-Year Program update; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District recommends the state program only immediately needed CMAQ funds for the 1993-1998 Six-Year Program update.

2. That the Council of the Metropolitan Service District adopts the six CMAQ projects identified in Exhibit A as Table 1, Projects 1 and 2; Table 2, Project 1; and Table 3, Projects 1, 2 and 3 as the region's immediate-need priorities for inclusion in the 1993-1998 ODOT Six-Year Transportation Improvement Program.

3. That staff be directed to forward these priorities in testimony during the appropriate hearings on the Six-Year Program update by the Oregon Transportation Commission.

4. That prior to establishing the Portland metropolitan area CMAQ-related priorities for the next update of ODOT's Six-Year Program, TPAC shall coordinate the development of a regional CMAQ Program for inclusion in Metro's Transportation Improvement Program and that ranking criteria be developed to evaluate CMAQ proposals, with particular emphasis to be given to emission reductions.

5. That staff be directed to work with the state and local jurisdictions and agencies to identify and incorporate into the Regional Transportation Plan (RTP) appropriate CMAQ-related implementation measures which result from the Governor's Task Force on Automobile Emissions in the Portland Area, Metro's Transportation Demand Management Study, the Region 2040 Study, regular updates to the RTP and State Implementation Plan, and other system planning activities, as necessary.

6. That ODOT be encouraged to incorporate a public review



phase into its statewide CMAQ prioritization and selection process.

7. That Metro staff work with the state through their CMAQ prioritization and selection process and with the TDM Subcommittee to develop the region's two and six-year CMAQ priorities beyond the priority six projects identified above. The additional priorities should emphasize air quality benefits and incorporate state evaluation criteria as it becomes available. Any new projects identified should then be prioritized with those already developed and listed as the remaining projects in Exhibit A and all projects in Exhibit B.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

MH:lmk  
92-1627.RES  
6-30-92

# EXHIBIT A

## Congestion Mitigation/Air Quality Priority Projects

Table 1. Transit			
Name	Jurisdiction	\$Cost	Rank(Score)
1. Tigard Park&Ride Lot	Tri-Met	720,000	1 (19)
2. Bikes on Transit	Tri-Met	110,000	2 (16)
3. Purchase of Clean Air Buses*	Tri-Met	1,500,000	3 (15)
4. Rideshare Study	Tri-Met	100,000	4 (15)
5. Transit Signal Priority Demo Project	Tri-Met; COP	100,000	5 (14)
Total		2,530,000	

\* The high ranking (15) of clean air buses is predicated on the assumption that these buses would be used to provide express service to designated park and ride lots or to directly address an air quality "hot spot."

Table 2. Transportation Demand Management			
Name	Jurisdiction	\$Cost	Rank(Score)
1. Neighborhood Rideshare	COP	80,000	1 (16)
2. Downtown Park&Ride Shuttle	Oregon City	580,000	2 (15)
Total		660,000	

**EXHIBIT A**

<b>Table 3. Bicycle/Pedestrian</b>			
<b>Name</b>	<b>Jurisdiction</b>	<b>\$Cost</b>	<b>Rank (Score)</b>
1. Willamette Bridge Study	Mult. Co.	100,000	1 (18)
2. Courtney Ave. Bike/Ped Link	Clack. Co.	100,000	2 (17)
3. Ped Access Study	Mult. Co. Wash. Co. Clack. Co. COP, Metro	200,000	3 (16)
4. Garden Home Oleson Rd. Ped Network	Wash. Co.	120,000	4 (15)
5. Blue Lake Bike Path	Mult. Co.	91,000	5 (13)
<b>Total</b>		<b>611,000</b>	



# EXHIBIT A

Table 4. TSM/Signal/Channelization			
Name	Jurisdiction	\$Cost	Rank (Score)
1. Hwy 217 Ramp Meters**	ODOT	600,000	1 (15)
2. Greewburg Rd. Full Interconnect & Signal Phasing to Hwy 217	Wash. Co.	20,000	2 (14)
3. Burnside/ 242nd Ave.	Mult. Co.	400,000	3 (13)
4. SW Oleson/ Scholls Ferry/ B.H. Hwy Turn Lanes	Wash. Co.	1,000,000	3 (13)
5. Johnson Creek/Linwood Signal	Clack. Co.	1,000,000	3 (13)
Total		3,020,000	

\*\* The high ranking (15) of the Highway 217 ramp meters is based on the assumption that installation of ramp meters will include bus bypass lanes.

Overall CMAQ & Priority Project Total Cost - \$6,821,000

EXHIBIT B

Additional CMAQ Six Year Priority Projects

Table 1. Ranked Project			
Name	Jurisdiction	\$Cost	Rank (Score)
1. Motor Vehicle Information System	ODOT	200,000	1 (9)

Table 2. Unranked Projects		
Name	Jurisdiction	Cost
TRANSIT PROJECTS		
1. Automatic Vehicle Locators	Tri-Met	3,000,000
2. Park&Ride Expansion	Tri-Met	1,200,000
3. Westside/Rideshare	Tri-Met	100,000
4. Trip Planning Computer	Tri-Met	450,000
5. 82nd Ave. Signal Improvements	Tri-Met	112,000
Total Transit		4,862,000
TRANSPORTATION DEMAND MANAGEMENT (TDM)		
6. Travel Allowance/Paid Parking Demo	COP	115,600
7. Parking Fee Joint Strategies/Wash. Co.	COP; Wash. Co.	61,200
Total TDM		176,800

BIKE/PEDESTRIAN		
8. Strawberry Lane Connection/I-205 to Webster	Clack. Co.	100,000
9. Clack. Co./Willamette River Ped/Bike Paths	Clack. Co.; Oregon City	1,175,000
10. Cornell Rd. Bike/Ped Path	Mult. Co.	35,000
11. Cedar Hills: Parkway to Sunset Bike Path	Wash. Co.	103,000
12. Murray Blvd: T.V. Hwy Terman Rd.	Wash. Co.	180,000
13. Cornell Rd: Stucki Ave. - 158th Ave.	Wash. Co.	868,000
14. Oleson Rd.: B.H. Hwy - Hall Blvd.	Wash. Co.	600,000
15. 185th Ave: Sunset Hwy - Springville Rd.	Wash. Co.	316,000
Total Bike/Ped		3,377,000
TSM/SIGNAL/ CHANNELIZATION		
16. Expansion of Central Traffic System	COP	482,000
17. Barbur Blvd. Integrated Traffic Control	COP	270,000
18. West Union Rd. and SW 185th Ave. Widening and Signalization	COP	400,000
19. Borland/Stafford	Clack. Co.	980,000
20. NW Cornell Rd. Interconnection of Signals	Wash. Co.	100,000
21. NW Barnes Rd. Needs System Analysis	Wash. Co.	10,000

22. SW Murray Rd./ Cornell Rd. Widening	Wash. Co.	500,000
23. SW Front Ave./ Columbia/Jefferson	COP	340,000
24. Motor Advisory System	ODOT	1,100,000
25. I-84 Message Signs	ODOT	300,000
26. U.S. 26 Warning Signs	ODOT	1,500,000
27. I-205 Ramp Meters	ODOT	540,000
28. Help Signs	ODOT	100,000
29. Warning Signs	ODOT	1,300,000
30. Variable Message Signes	ODOT	1,500,000
31. Surveillance System Phase I and II	ODOT	1,250,000
32. I-5 Ramp Meters	ODOT	400,000
33. Freeway Monitoring	ODOT	1,200,000
34. Stafford Ramp Meter	ODOT	500,000
Total TSM/Signal/Chan		12,792,000
TOTAL ADDITIONAL SIX YEAR PRIORITIES		21,207,800

**TOTAL SIX YEAR PRIORITIES (EXHIBIT A + EXHIBIT B) = \$27,808,800**

## STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1627 FOR THE PURPOSE OF  
ENDORISING ESTABLISHMENT OF THE REGION'S PRIORITY CONGESTION  
MITIGATION/AIR QUALITY PROGRAM PROJECTS FOR INCLUSION IN  
ODOT'S SIX-YEAR PROGRAM

Date: June 17, 1992

Presented by: Andrew Cotugno

### PROPOSED ACTION

This resolution would establish the region's priority Congestion Mitigation/Air Quality (CMAQ) Program projects for funding in the 1993-1998 Transportation Improvement Program (Six-Year Program). The region's priorities are consistent with CMAQ Program eligibility standards as listed in Section 149(b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991.

Prior to commencing construction, local governments and Metro must demonstrate that these projects are included in the Regional Transportation Plan (RTP) and Metro's Transportation Improvement Program (TIP) and are consistent with or conform to local comprehensive plans (transportation elements, public facility plans, and/or transportation system plans), the statewide planning goals, and the interim conformity guidance Clean Air Act Amendments of 1990.

The TPAC Transportation Demand Management (TDM) Subcommittee assisted in the identification of the project list, the development and application of the ranking criteria, and the provision of criteria-related information. The Joint Policy Advisory Committee on Transportation (JPACT) is scheduled to review and take action on the priorities on July 9. The priorities will be forwarded to ODOT staff and to the Oregon Transportation Commission (OTC). ODOT staff will compile all CMAQ-related requests and the OTC is tentatively set to take action in October.

TPAC recommended approval of Resolution No. 92-1627 on June 26. Their comments are included in the following background information.

### FACTUAL BACKGROUND AND ANALYSIS

In February, as part of its review of Six-Year Program priorities, TPAC charged the TDM Subcommittee to develop a comprehensive regional TDM program for consideration for funding from the CMAQ Program. TPAC requested that recommendations be developed for both the implementation of projects and for the development programs leading to future projects. A process was also established to result in the transmittal of recommendations to the OTC in time for their summer Six-Year Program hearings.

Eligible CMAQ activities in accordance with ISTEA are as follows:

"Eligible Projects. Except as provided in Subsection (c), a State may obligate funds apportioned to it under Section 104(b)(2) for the Congestion Mitigation and Air Quality improvement program only for a transportation project or program --

"(1)(A) if the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines, on the basis of information published by the Environmental Protection Agency pursuant to Section 108(f)(1)(A) of the Clean Air Act (other than clauses xii and xvi of such section), that the project or program is likely to contribute to the attainment of a national ambient air quality standard; or

"(B) in any case in which such information is not available, if the Secretary, after such consultation, determines that the project or program is part of a program, method, or strategy described in each section;

"(2) if the project or program is included in a State Implementation Plan that has been approved pursuant to the Clean Air Act and the project will have air quality benefits; or

"(3) the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines that the project or program is likely to contribute to the attainment of a national ambient air quality standard, whether through reductions in vehicle miles traveled, fuel consumption, or through other factors.

"No funds may be provided under this section for a project which will result in the construction of new capacity available to single-occupant vehicles unless the project consists of a high-occupancy vehicle facility available to single-occupant vehicles only at other than peak travel times."

#### Prior Activities

The TPAC TDM Subcommittee met six times between April and June to develop the comprehensive regional TDM program. Essentially, the program was developed through solicitation of projects from the jurisdictions and agencies represented on the subcommittee. Projects were reviewed for eligibility against FHWA CMAQ guidelines, categorized by mode, prioritized by jurisdiction within each mode category, and ranked using criteria developed especially for this particular Six-Year Program.

As a result of their April meetings, the TDM Subcommittee made the following general recommendations to TPAC:

- . That the OTC fund at a maximum two years of the CMAQ Program in order for the region to complete work on the Governor's Task Force on Automobile Emissions in the Portland area and on Metro's TDM Study. The two studies will develop projects which will directly relate to the CMAQ Program objectives.
- . That appropriate project ranking criteria be developed through Metro or additional guidance be received from USDOT for prioritizing CMAQ-related project proposals.
- . That any projects approved for the 1993-1998 Six-Year Program include an evaluation component.
- . That funds be distributed as equitably as possible throughout the region for at least the first two years of the program.
- . That at least three projects be forwarded as the region's CMAQ priorities: Tigard Park-and-Ride; Multnomah County Bridge Accessibility Study; and a Joint Regional Pedestrian Access Study.
- . That TPAC, JPACT and the OTC consider funding for demonstration-type projects within recommended categories (bicycle/pedestrian, TDM, transportation systems management (TSM), and transit).

At its meeting on May 1, TPAC generally agreed with the subcommittee recommendations with the following stipulations:

- . To the degree possible, funds should be used to implement projects. System planning and program development related to CMAQ funding is necessary but should be done using regular planning funds (PL, HPR, etc.) and addressed through the UWP process. The Regional Pedestrian Access Study would fall under this recommendation and was therefore not generally supported for funding by TPAC.
- . The TDM Subcommittee should identify suitable "demonstration" type projects within the identified categories for funding, implementation, and evaluation.

#### Portland Area CMAQ Priorities

The TDM Subcommittee met twice in early May to incorporate TPAC comments and to rank the projects. An original list of 56 proposed CMAQ projects was first reduced to 14 based on local priorities as determined by subcommittee members. The projects were screened to ensure their eligibility with CMAQ funding guidelines and for their ability to begin within two years.

The 14 projects were then consolidated into four categories consistent with CMAQ eligibility guidelines as provided by FHWA: 1) bicycle/pedestrian; 2) TDM; 3) transit; and 4) TSM/signals/channelization. The subcommittee then ranked the 14 projects

using the evaluation criteria included as Attachment A. Generally, the criteria were oriented towards identifying projects which will contribute to attainment of the national ambient air quality standards, will reduce congestion, have a high degree of commitment, and for which CMAQ funds are likely to be critical.

As a result of the ranking process, the subcommittee recommended that 13 of the 14 projects, plus four unranked projects be forwarded for OTC funding consideration. Of the 14 priority projects, it was determined that an ODOT's Motorist Information Signing project be dropped from consideration. The project was considered to provide little, if any, ongoing air quality or congestion benefits. In addition, the subcommittee recommended that four unranked projects be added to the list for funding consideration. The committee did not initially have time to rank the projects but felt they generally meet the intent and spirit of the CMAQ Program.

TPAC reviewed the initial subcommittee recommendations at its May 29 meeting. A resolution to endorse the recommendations was tabled with the following TPAC comments:

- . At the request of DEQ, the subcommittee should identify a short list of immediate-need projects. DEQ was hesitant to support two or six-year allocations of CMAQ funds without a detailed, quantitative emissions analysis.
- . The subcommittee should re-examine all submitted projects specifically for air quality benefits consistent with CMAQ Program eligibility requirements. Projects with substantial air quality benefits should then be ranked accordingly.
- . The subcommittee should rank the four unranked priority projects as found in Exhibit A to the resolution.

The TDM Subcommittee met again on June 11 to address the TPAC directives. The subcommittee was unable to identify any new priority projects which have promise for substantial air quality benefits. As a result, the previous unranked priority projects were reviewed and the following short list of immediate need priority projects was developed:

<u>Project</u>	<u>Jurisdiction</u>	<u>Cost</u>	<u>Points</u>
1. Tigard Park- and Ride	Tri-Met	\$ 720,000	19
2. Willamette Bridge Access Study	Multnomah Co.	100,000	18
3. Courtney Avenue Bike/Pedes. Link	Clackamas Co.	100,000	17
4. Pedestrian to transit study	Tri-Met/City of Portland	200,000	16



5. Neighborhood Ride-share Co-op	City of Portland	80,000	16
6. Bikes on transit	Tri-Met	<u>110,000</u>	16
TOTAL . . . . .		\$1,310,000	

The subcommittee noted that the Willamette Bridge Study must be sensitive to the air quality impacts of bicycle/pedestrian improvements and to changes in traffic patterns.

#### Summary

Exhibit A to Resolution No. 92-1627 shows the results of the ranking process and identifies the TDM Subcommittee's recommended CMAQ priorities. The immediate-need short list, as identified above, is shown as Table 1, Projects 1 and 2; Table 2, Project 1; and Table 3, Projects 1, 2, and 3 in Exhibit A to the Resolution. Those projects reflect a recommended allocation for the Portland region in the event the Oregon Transportation Commission (OTC) decides to defer programming of CMAQ funds to a minimum level.

In the event a decision is made to program two years of CMAQ funds, the TDM Subcommittee originally recommended the OTC consider all the projects identified as Tables 1 through 4 of Exhibit A to Resolution No. 92-1627 as the Portland area priorities. The total estimated cost of those 17 projects is \$6.821 million, with a high of \$1.5 million for Tri-Met's clean air buses and a low of \$20,000 for SW Greenburg Road signal interties. The TDM Subcommittee further recommended that Exhibits A and B should be considered as the region's six-year priorities in the event the decision is made to allocate CMAQ funds for the full Six-Year Program period. Total estimated costs for all projects in Exhibits A and B are \$28,808,800.

The Oregon allocation for CMAQ funds is estimated at \$9.7 million for the first two years and up to a potential of almost \$31 million of the full six years of ISTEA.

In response to previous TPAC discussion, the TDM Subcommittee recommended the immediate-need short list be considered as the region's priority CMAQ projects and that, prior to the next Six-Year Program update, Metro and DEQ staff and the subcommittee should develop a method to evaluate the benefits of proposed CMAQ projects with an emphasis towards emissions reductions. Resolution No. 92-1627 reflects that recommendation.

TPAC recommended approval of Resolution No. 92-1627 at its June 26 meeting, adopting the six projects listed above as the region's CMAQ priorities. However, recognizing the need for more consideration in developing regional CMAQ priorities, TPAC also recommends that the TDM Subcommittee further examine potential CMAQ projects over the next few months consistent with ODOT's schedule. ODOT is beginning a process designed to determine statewide CMAQ priorities. The process, as tentatively proposed,

will be similar to the region's and include identified "stakeholders" consisting of representatives of appropriate state agencies (ODOT, DEQ) and carbon monoxide and ozone non-attainment areas (including the Portland metropolitan area). That process is scheduled to be completed in October.

As such, TPAC recommends utilizing the extra time to review regional CMAQ priorities beyond the recommended six projects. TPAC recommends soliciting and/or developing additional CMAQ eligible projects, particularly those that have potentially strong air quality benefits. Those projects would be prioritized and ranked along with the remaining projects listed in Exhibits A and B. The reprioritization would utilize any state-developed criteria, as available, or revised regional criteria which would account for more stringent air quality benefits. TPAC recognized that the total dollar amount of the six priority projects will likely total significantly less than what the Portland region could anticipate in programmed CMAQ funds. Consistent with their earlier recommendations, TPAC felt that it is important to provide two and six-year CMAQ priorities in addition to the priority six projects. TPAC also felt that more time is necessary to adequately evaluate projects for their specific congestion and, more importantly, air quality benefits.

Consequently, staff will be working through October to further supplement their CMAQ priorities. In the meantime, TPAC suggested working with ODOT staff to accelerate funding approval of the region's short list of six projects, preferably in FY 92.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1627.

Attachment A:  
Congestion Mitigation/Air Quality: Project Score Sheet  
BICYCLE/PEDESTRIAN

Legend

0= Does Not Meet Criteria  
1= Minimally Addresses Criteria  
2= Moderately Addresses Criteria  
3= Fully Addresses Criteria

Bike/Ped	Score
1. Does the project provide for a critical link or access; or does the program fill a critical void?	_____
2. Are CMAQ Funds Critical? - other dollars available - restricted by state constitution - cannot be integrated with other CIP/TIP project	_____
3. Size of Need/Market - number of potential users - large geographic or multi-jurisdictional - high certainty for use (existing counts, etc.)	_____
4. Multi- or Inter-Modal - access to transit - service for bike and ped. and ADA	_____
5. Local Commitment - past dollars spent - private dollars spent - community support - planned future phases	_____
6. Air Quality Benefit - carbon monoxide hot spot - ozone	_____
7. Reduces Vehicle Miles Traveled or reduces VHD?	_____
Total Score	_____

Metro  
5/19/92

Attachment A

Congestion Mitigation/Air Quality: Project Score Sheet  
TSM/SIGNAL/CHANNELIZATION

Legend

- 0= Does Not Meet Criteria
- 1= Minimally Addresses Criteria
- 2= Moderately Addresses Criteria
- 3= Fully Addresses Criteria

TSM/Sig/Chan.	Score
1. Is the project on a designated RTP arterial of regional significance?	_____
2. Are CMAQ Funds Critical? <ul style="list-style-type: none"><li>- other dollars available</li><li>- restricted by state constitution</li><li>- cannot be integrated with other CIP/TIP project</li></ul>	_____
3. Size of Need/Market <ul style="list-style-type: none"><li>- number of potential users</li><li>- large geographic or multi-jurisdictional</li><li>- high certainty for use (existing counts, etc.)</li></ul>	_____
4. Multi- or Inter-Modal <ul style="list-style-type: none"><li>- access to transit</li><li>- service for bike and ped. and ADA</li></ul>	_____
5. Local Commitment <ul style="list-style-type: none"><li>- past dollars spent</li><li>- private dollars spent</li><li>- community support</li><li>- planned future phases</li></ul>	_____
6. Air Quality Benefit <ul style="list-style-type: none"><li>- carbon monoxide hot spot</li><li>- ozone</li></ul>	_____
7. Reduces Vehicle Miles Traveled or reduces VHD?	_____
Total Score	_____

Metro  
5/19/92

Attachment A

Congestion Mitigation/Air Quality: Project Score Sheet  
TRANSIT

Legend

- 0= Does Not Meet Criteria
- 1= Minimally Addresses Criteria
- 2= Moderately Addresses Criteria
- 3= Fully Addresses Criteria

Transit	Score
1. Is the project a Tri-Met critical need?	_____
2. Are CMAQ Funds Critical? <ul style="list-style-type: none"><li>- other dollars available</li><li>- restricted by state constitution</li><li>- cannot be integrated with other CIP/TIP project</li></ul>	_____
3. Size of Need/Market <ul style="list-style-type: none"><li>- number of potential users</li><li>- large geographic or multi-jurisdictional</li><li>- high certainty for use (existing counts, etc.)</li></ul>	_____
4. Multi- or Inter-Modal <ul style="list-style-type: none"><li>- access to transit</li><li>- service for bike and ped. and ADA</li></ul>	_____
5. Local Commitment <ul style="list-style-type: none"><li>- In Tri-Met 5-year plan</li><li>- past dollars spent</li><li>- private dollars spent</li><li>- community support</li><li>- planned future phases</li></ul>	_____
6. Air Quality Benefit <ul style="list-style-type: none"><li>- carbon monoxide hot spot</li><li>- ozone</li></ul>	_____
7. Reduces Vehicle Miles Traveled or reduces VHD?	_____
Total Score	_____

Metro  
5/19/92

Attachment A:

Congestion Mitigation/Air Quality: Project Score Sheet  
DEMAND MANAGEMENT

Legend

0= Does Not Meet Criteria

1= Minimally Addresses Criteria

2= Moderately Addresses Criteria

3= Fully Addresses Criteria

TDM	Score
1. Does the program fill a critical void/need?	_____
2. Are CMAQ Funds Critical?	_____
- other dollars available	
- restricted by state constitution	
- cannot be integrated with other CIP/TIP project	
3. Size of Need/Market	_____
- number of potential users	
- large geographic or multi-jurisdictional	
- high certainty for use (existing counts, etc.)	
4. Multi- or Inter-Modal	_____
- access to transit	
- service for bike and ped. and ADA	
5. Local Commitment	_____
- past dollars spent	
- private dollars spent	
- community support	
- previously proposed and endorsed; contained within a plan or program	
- other benefits (access to jobs, etc.)	
6. Air Quality Benefit	_____
- carbon monoxide hot spot	
- ozone	
7. Reduces Vehicle Miles Traveled or reduces VHD?	_____
Total Score	_____

Metro

5/19/92

Meeting Date: July 23, 1992  
Agenda Item No. 4.3

RESOLUTION NO. 92-1644

## TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1644 FOR THE PURPOSE OF ESTABLISHING ADMINISTRATIVE PROCEDURES BETWEEN METRO AND ODOT FOR USE AND EXCHANGE OF FAU, STP AND STATE FUNDING

-----  
Date: July 15, 1992

Presented by: Councilor Devlin

Committee Recommendation: At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1644. Voting in favor: Councilors Devlin, McLain, and Buchanan. Excused: Councilors Bauer and Washington.

Committee Issues/Discussion: Andrew Cotugno, Planning Director, presented the staff report. Metro has a commitment by statute of Surface Transportation Program (STP) funds that are channeled through the Oregon Department of Transportation (ODOT). The region has the authority to determine the use of the funds. ODOT, however, has the authority to manage the program on a year by year basis.

This resolution requests an administrative procedure to assure that if in one year the region underspends, thereby allowing ODOT to overspend, that there is agreement that in subsequent years it will counter-balance to guarantee the region their fair share. The flow of funds is dependent on projects, which move on their own schedules and costs. Expenditure of funds must be done on a yearly basis by means of a complicated process.



BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ESTABLISH-)	RESOLUTION NO. 92-1644
ING ADMINISTRATIVE PROCEDURES)	
BETWEEN METRO AND ODOT FOR )	Introduced by
USE AND EXCHANGE OF FAU, STP )	Councilor Richard Devlin
AND STATE FUNDING )	

WHEREAS, The Metropolitan Service District (Metro) and the Oregon Department of Transportation (ODOT) have jointly developed administrative procedures to reduce the possibility of lapsing funds under the Intermodal Surface Transportation Efficiency Act (ISTEA); and

WHEREAS, The region receives annual Surface Transportation Program (STP) allocations and obligation authority over the life of ISTEA; and

WHEREAS, Metro will request of ODOT that FAU fund balances be exchanged for STP funds and that any remaining amounts currently programmed for FAU projects in the TIP be allocated to corresponding projects under the STP Program; and

WHEREAS, Metro and ODOT's Salem Program Section will establish the Metro area's annual authority and six-year obligation authority in order to assure compatibility between Metro and statewide program ceiling limitations; and

WHEREAS, State funds, by agreement, may be made available to Metro's local jurisdictions on individual projects by way of exchanging the jurisdictions' federal funds for state funds (\$.94 of state funds for one dollar of federal funds); now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District:

1. Establishes the administrative procedures for use and exchange of FAU, STP and state funding described in Exhibit A.

2. Recognizes that administration of dollars is to be closely controlled and documented by Metro and the state to account for overall authority, obligational ceiling levels, program shifts between years, and funding exchanges.

3. Requires that any regional flexible funds which are exchanged with the State of Oregon must be exchanged for flexible funds from the state.

4. Amends the Transportation Improvement Program (TIP) to reflect these actions.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

BP:lmk  
92-1644.RES  
6-29-92

## EXHIBIT A

### Administrative Procedures Between Metro and ODOT for Use and Exchange of FAU, STP and State Funding

1. Through ISTEA, the region receives annual STP allocation and obligation authority over the life of ISTEA. Metro may request of ODOT that FAU fund balances be exchanged for STP funds and that any remaining amounts currently programmed for FAU projects in the TIP be allocated to corresponding projects under the STP Program.
2. Metro and ODOT's Salem Program Section will mutually establish the Metro area's annual authority and six-year obligation authority in order to assure compatibility between Metro and statewide program ceiling limitations.
3. Annual programmed amounts may vary from annual allocations by mutual agreement of ODOT and Metro subject to:
  - ODOT's ability to accommodate shifts relative to the statewide program.
  - Region's assurance that future authority will be available on a one-for-one basis.
4. State funds may be made available to local jurisdictions and agencies on individual projects in exchange for federal funds (\$.94 of state funds for one dollar of federal funds). Metro must notify release of federal dollars to ODOT and carry state-funded projects in the TIP. The state is to routinely supply Metro with accountability of state expenditures similar to that currently provided for federal obligations.
5. Administration of dollars is to be closely controlled and documented by Metro and the state to account for overall authority, obligational ceiling levels, and program shifts between years. Metro and ODOT will identify annual shifts and local fund exchanges in Metro and state TIPs. Annual allocations will specify annual amounts for current year, cumulative allocations over duration of ISTEA, and effect on past and future years. State funds made available to local jurisdictions and agencies will provide flexibility consistent with STP funds. These actions must be jointly approved by Metro and ODOT.
6. Future transfers of regional and state funds should continue to be reviewed through the established JPACT process.

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1644 FOR THE PURPOSE OF ESTABLISHING ADMINISTRATIVE PROCEDURES BETWEEN METRO AND ODOT FOR USE AND EXCHANGE OF FAU, STP AND STATE FUNDING

Date: June 17, 1992

Presented by: Andrew Cotugno

## PROPOSED ACTION

Adopt Resolution No. 92-1644 establishing administrative procedures between Metro and ODOT for use and exchange of FAU, STP and state funding.

TPAC reviewed and approved Resolution No. 92-1644 on June 26. Their comments have been included into the Staff Report and Resolution. Their emphasis was that the proposal is essentially a one-time transfer for the use of STP funds and that future transfers be reviewed individually through the regular JPACT process. They also emphasized that state funds made available to local jurisdictions must provide for flexible programming consistent with STP funds.

## FACTUAL BACKGROUND AND ANALYSIS

A meeting between the TIP Subcommittee and the ODOT Program Section was held June 10, 1992 to discuss and propose administrative procedures to exchange FAU funds for STP funds. The state obligation ceiling will not be met if it cannot develop a strategy to utilize the funds available through ISTEA.

Exhibit A has been prepared and incorporates the following strategies:

1. The FAU Program currently in the TIP could be eliminated and transferred into STP, thereby giving a new four-year expiration date.
2. The state could use all our remaining FAU and '92 STP funds in the TIP for use throughout the rest of the state in FY 1992.
3. In exchange for the FAU and STP funds, the state would provide the Metro region with an equivalent amount of STP funds for use in FY 1993 (or thereafter) and avoid potential lapse of funds.
4. The FAU projects with balances now in the TIP to be shifted to STP would be transferred to an STP account and would be programmed in the TIP similar to that under the FAU Program.

5. FY 1992 STP funds currently in the TIP have been reserved in the amount of \$8.3 million; these funds will be moved to FY 1993 because of lack of timely candidate projects. The state will use these STP funds elsewhere in the state in return for funds in FY 93.
6. To alleviate future problems of a similar nature, the state proposes to buy local federal funds at the rate of \$.94 (state) on the federal dollar.
7. All transactions will be thoroughly documented and subject to agreement by all participants.
8. Future transfers of regional and state funds, regardless of category, will follow the established JPACT review procedure.

To date, new STP funds have not been allocated because of the uncertainty of what types of projects have the greatest need pending the outcome of state and regional funding efforts. Despite this uncertainty, it is recommended that we proceed with an FY 92 allocation to ensure needed planning and project development activities are proceeding and eligible projects are advancing for future allocation.

In the meantime, Metro recommends the following actions:

Initiate planning and project development-type activities to ensure projects are in the pipeline for future year allocations. This would not be a construction commitment of dollars -- that will come later, but we need a good cross-section of activities, such as:

- . PE for various arterial projects that may be STP or Arterial Fund implemented.
- . PE or project development for transit which may be STP-fund or other-fund implemented.
- . Comprehensive regional Bike/Pedestrian Program.
- . TDM funds.
- . Meeting planning requirements of ISTEA and Rule 12. Possibilities include:
  - New Travel Behavior Survey
  - Region 2040
  - Development of management systems required by ISTEA:
    - \* Pavement
    - \* Bridge
    - \* Safety
    - \* Congestion
    - \* Public Transit

- \* Intermodal
- High-Speed Rail
- High-Capacity Transit

A TIP Subcommittee meeting is scheduled for July 14, 1:30 p.m., for the purpose of initiating the programming process for FY 93 and for the TIP update.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1644.

Meeting Date: July 23, 1992  
Agenda Item No. 4.4

RESOLUTION NO. 92-1645

## **TRANSPORTATION AND PLANNING COMMITTEE REPORT**

CONSIDERATION OF RESOLUTION NO. 92-1645 FOR THE PURPOSE OF REVISING THE PORTLAND METROPOLITAN AREA'S URBANIZED TRANSPORTATION BOUNDARY TO ESTABLISH THE AREA ELIGIBLE FOR METRO STP FUNDS

-----  
Date: July 15, 1992

Presented by: Councilor Devlin

**Committee Recommendation:** At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-11645. Voting in favor: Councilors Devlin, McLain, and Buchanan. Excused: Councilors Bauer and Washington.

**Committee Issues/Discussion:** Andrew Cotugno, Planning Director, presented the staff report. Federal Surface Transportation Program (STP) funds are allowed within a specific designated boundary. The current Federal-Aid Urban (FAU) boundary that has been adopted roughly parallels the Urban Growth Boundary (UGB). However, by statute, that territory must at a minimum include the territory designated by the census as "urbanized".

This resolution effectively enlarges the current boundary to coincide the with census definition. This amendment includes six areas which, in some cases go outside our current UGB, but remain within the Metro boundary. These first six areas are considered minuscule.

There is a seventh area in Wilsonville, currently under discussion, which will be brought forth in another resolution. Wilsonville is not currently part of our FAU boundary. It is designated as "urbanized" by the census but is not part of our urbanized area because it is an island. The area is, however, part of our UGB and jurisdiction, even though it is an island. The department believes the area should be added as part of the FAU boundary, complete with the federal monies associated with the area.



BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF REVISING	)	RESOLUTION NO. 92-1645
THE PORTLAND METROPOLITAN	)	
AREA'S URBANIZED TRANSPORTATION	)	Introduced by
BOUNDARY TO ESTABLISH THE AREA	)	Councilor Richard Devlin
ELIGIBLE FOR METRO STP FUNDS	)	

WHEREAS, The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 allows the states, in cooperation with local officials, to expand their transportation Urban Area Boundary (formerly Federal-Aid Urban boundary); and

WHEREAS, The placement of the boundary identifies the limits for capital spending and defines the eligibility of specific routes for Metro Surface Transportation Program (STP) funding under ISTEA; and

WHEREAS, The Oregon Department of Transportation (ODOT) representing the state, the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) representing appropriate local officials have reviewed that boundary; and

WHEREAS, Review of that boundary has identified necessary changes; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District recommends that ODOT submit to the United States Department of Transportation appropriate documentation to reflect changes to the Metropolitan Service District transportation Urban Area Boundary consistent with those changes described and mapped in Exhibit A, Nos. 1-6.

2. That staff be directed to work with ODOT and City of

Wilsonville officials to develop an agreement to include the Wilsonville urban area within the Metro UAB and that the agreement provide for a transition period to continue Wilsonville's current level of transportation capital programming while maintaining an equitable ratio of Metro STP funds to other statewide STP funds as a result of the UAB expansion.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

92-1645.RES  
MH:lmk  
6-29-92

**EXHIBIT A**

**FEDERAL-AID URBAN (FAU) BOUNDARY CHANGES  
CONSISTENT WITH THE CENSUS URBANIZED AREA (CUA) DESIGNATION**

(Changes are identified by the 7.5 minute quad map)

**1. Linnton Quad**

- The CUA designation is slightly north of the FAU boundary in the vicinity of the Newberry Rd. and Skyline Rd. intersection. This will bring Skyline Rd. from Portland city limit to Newberry Rd. and Newberry Rd. from Skyline Rd. to Portland city limit into the FAU system.

**2. Damascus Quad**

- Butler Road between Gresham city limit and 190th Drive will be added to FAU system with boundary shift to include CUA within FAU boundary.

**3. Camas Quad and Mt. Tabor Quad**

- The CUA designation is north of Marine Drive between I-205 and Troutdale, while the FAU boundary is south of Marine Drive. Shifting the FAU boundary north of Marine Drive will bring Marine Drive between I-205 and Arata Creek (east of Sundial Road) into the FAU system. There is one small exception to this, for the segment of Marine Drive between 185th and the Gresham city limit (approximately 1,000' to the east) both the FAU and CUA designations remain south of Marine Drive.

**4. Gales Creek Quad**

- The CUA designation extends west of the FAU boundary along and north of Gales Creek Road. A short segment of Gales Creek Road between the existing FAU boundary and the west city limit of Forest Grove will be brought into the FAU system.

**5. Sandy Quad**

- The CUA is east of the FAU boundary along 282nd Avenue. Shifting the FAU boundary will bring 282nd Avenue between the Gresham city limit (north of Lusted Rd.) and the Gresham city limit (north of Orient Drive) into the FAU system.

6. Hillsboro Quad

- The CUA designation is outside of the FAU boundary including a portion of U.S. 26 and Shute Road. Incorporating this into the FAU will add U.S. 26 between Shute Road and Hillsboro city limit (just east of powerlines) and will add Shute Road between Jacobson Road and Evergreen Road.
- A segment of Evergreen Road between 268th and 278th was realigned and should be re-designated as the FAU boundary.

**Portland Metropolitan Area**

--- Proposed changes  
 FAU Boundary

'92102

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1645 FOR THE PURPOSE OF REVISING THE PORTLAND METROPOLITAN AREA'S URBANIZED TRANS- PORTATION BOUNDARY TO ESTABLISH THE AREA ELIGIBLE FOR METRO STP FUNDS

Date: June 18, 1992

Presented by: Andrew Cotugno

## PROPOSED ACTION

Resolution No. 92-1645 replaces the existing Federal-Aid Urban (FAU) boundary with a new and amended Urbanized Area Boundary (UAB) consistent with requirements of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The boundary will establish an area for which the region will program Metro Surface Transportation Program (STP) funds. Resolution No. 92-1645 also recommends that negotiations with the City of Wilsonville continue with the objective of adding their urban area to the UAB. Such an agreement must be completed by August. Adoption of Resolution No. 92-1645 enables the region to meet FHWA guidelines for the establishment of a "preliminary" UAB.

TPAC recommended approval of Resolution No. 92-1645 at its June 26 meeting and recommended discussions continue with the City of Wilsonville, ODOT, and FHWA for including the Wilsonville urban area within the Metro UAB.

## FACTUAL BACKGROUND AND ANALYSIS

### Requirements

With enactment of the new ISTEA, states and MPOs are now required to take appropriate steps to adjust the Census-designated urban area boundary, if necessary, and complete the functional re-classification of all public roads and streets. Resolution No. 92-1645 provides the region's recommended UAB. The functional classification effort will begin later this summer with initial submittals required by the end of the year. FHWA offers the following background and guidance on the UAB:

1. Section 101(a) of Title 23 U.S.C. defines urban areas as urban places of 5,000 or more population and urbanized areas as designated by the Bureau of the Census. This section also allows the states, in cooperation with local officials, to expand the urban area boundaries, subject to approval by the Secretary. Prior to enactment of ISTEA, the locations of urban area boundaries had a number of significant program implications. Specifically, the urban area boundaries 1) defined the eligibility of routes for the use of urban system and secondary system funds; 2) defined the application of urban transportation planning requirements under 23 U.S.C.

134; and 3) defined the urban and rural limits for administering 23 U.S.C. 131 -- control of outdoor advertising. Although ISTEA has resulted in some major changes in the Federal-Aid highway program, the locations of urban area boundaries continue to have significant program implications. Therefore, an urban area boundary as defined under 23 U.S.C. 101(a) is required for each urban area.

2. For capital spending, urban area boundaries continue to determine the limits for urban system and secondary system funds until unobligated balances are exhausted. In addition, ISTEA requires that a portion of Surface Transportation Program (STP) funds (including any additions from Donor State Bonus funds) and any minimum allocation funds be expended in areas of the state outside of urbanized areas with an urbanized population of over 200,000 and that a portion (110 percent of the amount of funds apportioned to the states for the secondary system for FY 1991) be expended outside of urban areas with a population greater than 5,000. Therefore, the urban area boundaries for urbanized areas with a population greater than 200,000 will define the limits of eligibility for funds that must be expended outside of such areas, and urban area boundaries for all urban and urbanized areas will define the limits of eligibility for funds that must be expended outside of urban areas with a population greater than 5,000. Although a portion of the STP funds are also allocated to urbanized areas with a population of over 200,000, the urban area boundaries for these areas are not controlling for these funds since they may be used anywhere within the metropolitan area boundary required by Section 1024 of ISTEA.
3. The urban area boundaries are also important in defining the eligibility of specific routes for the use of STP funds. Section 1007 of ISTEA specifies that projects may not be undertaken on roads functionally classified as local or rural minor collectors. Because the minor collector category only applies to rural areas, the urban area boundary defines the eligibility of specific routes for the use of STP funds.
4. Section 1024 of ISTEA establishes that metropolitan area boundaries must cover at least the existing urbanized area and the contiguous area expected to become urbanized within the 20-year forecast period and may encompass the entire metropolitan statistical area or consolidated metropolitan statistical area. This section further specifies that for areas designated as non-attainment areas for ozone or carbon monoxide under the Clean Air Act, the boundaries of the metropolitan area shall at least include the boundaries of the non-attainment area (except as otherwise provided by agreement between the MPO and the Governor).
5. In addition to the program requirements discussed in the above numbered paragraphs, urban area boundaries defined

under 23 U.S.C. 101(a) are used for statistical reporting, including the Highway Performance Monitoring System, needed to support national studies such as the report on "The Status of the Nation's Highways and Bridges: Conditions and Performance" and highway safety studies required by the Congress.

6. Adjustments to the Census-designated boundaries, where appropriate, are a necessary first step in the process of completing a functional reclassification of public roads and streets and then proposing routes for the NHS. To meet the December 18, 1993 date established by ISTEA for submitting the proposed NHS to the Congress, the states and MPOs must functionally classify streets and then identify a National Highway System.

#### Metro Urban Area Boundary

The FAU boundary was last changed in 1983 as a result of the 1980 census. At that time, the boundary was expanded to roughly approximate the Urban Growth Boundary (UGB). In addition, Forest Grove, already within the Metro UGB, was added for consistency purposes. To transition Forest Grove into the FAU boundary, JPACT and the Metro Council agreed to allocate FAU funds to Forest Grove at an amount they would have received under state-allocated Federal-Aid Secondary (FAS) funds. The transition period was through 1986.

For the current exercise, the state has developed for Metro review a series of maps encompassing the region which show differences between the existing FAU boundary and the designated census urbanized area. For the most part, the FAU boundary is either the same or exceeds in size the designated census urbanized areas. In those instances, it is recommended there be no changes to the UAB. Two instances occur where it is recommended to expand the UAB:

1. Where the designated census urbanized area exceeds the existing FAU boundary; and
2. Wilsonville and an I-5 connection with the rest of the UAB.

Exhibit A to Resolution No. 92-1645 maps and describes both instances. As can be seen, the census urbanized areas which exceed the FAU boundary are relatively small (identified as Nos. 1 through 6 on the Exhibit A map). Those areas are recommended for inclusion in Metro's UAB consistent with FHWA guidelines.

Wilsonville is recommended as the major addition to the UAB (No. 7 on the map). Although now qualifying as an independent urban area (by reaching 5,000 in population), Wilsonville should be included within the Metro UAB for the following reasons:



1. Wilsonville is within the Portland area UGB and was the only major urban area excluded from the FAU boundary in 1983.
2. Wilsonville is included in Metro's MPO boundary and is subject to planning requirements or objectives as identified in the RTP, the annual TIP, and RUGGOs. As such, Wilsonville is included in the Region 2040 study area boundary as urban.
3. Wilsonville is within the Portland area non-attainment boundaries for ozone and carbon monoxide.
4. Inclusion in the Metro UAB will facilitate consistency between regional policy and finance in Wilsonville, and will provide consistency in the eyes of the state and the region as Transportation System Plans are developed in response to state Transportation Rule 12.

TPAC discussion focused on providing a transition period for Wilsonville similar to the one provided Forest Grove. However, the new ISTEA does not allow for suballocations of STP funds to areas. As such, TPAC suggested that Metro, ODOT and the City of Wilsonville continue discussions towards including the Wilsonville urban area within the Metro UAB. TPAC's intent is to provide, during a transition period, continuity for Wilsonville in their transportation capital planning while maintaining an equitable share of Metro STP funds for the region. Discussions will focus on the change in the amount of Metro STP funds which could be expected with addition of Wilsonville and on the inclusion of Wilsonville projects in the TIP eligible for Metro STP funds. A separate resolution will be forwarded for JPACT review, as necessary, in August.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1645.

Meeting Date: July 23, 1992  
Agenda Item No. 4.5

RESOLUTION NO. 92-1646

## TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1646 FOR THE PURPOSE OF ENDORSING COMMITMENT OF TRI-MET GENERAL OBLIGATION BONDS TO EAST PORTLAND/CLACKAMAS COUNTY LRT DEVELOPMENT AND WESTSIDE CREDIT ENHANCEMENT

-----  
Date: July 15, 1992

Presented by: Councilor Devlin

Committee Recommendation: At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1646. Voting in favor: Councilors Devlin, McLain, and Buchanan. Excused: Councilors Bauer and Washington.

Committee Issues/Discussion: Andrew Cotugno, Planning Director, presented the staff report. He explained that two years ago the Council endorsed a resolution urging Tri-Met to proceed with a \$110 million General Obligation Bond Measure for local match on the Westside Light Rail project and \$15 million for initial development of the Eastside project. The latter amount is now in hand. This resolution provides an agreement to allow usage of the \$15 million received for the Eastside project to provide borrowing leverage for the Westside project. The moneys will then be repaid as committed monies are released for the Westside project.

Tri-Met will have a letter of credit from a banking institution for borrowing funds for cash flow purposes. Then as construction of the project releases federal funding, borrowed funds will be repaid. The Eastside money would be used, at least initially, as collateral for the commercial paper for the borrowing program.

The intergovernmental agreement between Metro and the local jurisdictions involved provides that the Eastside money may be used on the Westside project, and vice versa, but only if approved. This action does not approved the transfer of money from one project to another, it merely allows the monies to be used as collateral.

Councilor McLain described the process as similar to taking a second mortgage on a house.

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ENDORSING	)	RESOLUTION NO. 92-1646
COMMITMENT OF TRI-MET GENERAL	)	
OBLIGATION BONDS TO EAST	)	Introduced by
PORTLAND/CLACKAMAS COUNTY LRT	)	Councilor Richard Devlin
DEVELOPMENT AND WESTSIDE CREDIT	)	
ENHANCEMENT	)	

WHEREAS, Tri-Met is currently finalizing its plans to undertake the acquisition, construction and installation of the Westside Corridor Extension to its existing system (the Westside Project); and

WHEREAS, The region intends to undertake preliminary planning, engineering, and acquisition of land pertaining to a future extension of the Light Rail System into Clackamas County; and

WHEREAS, The Westside Corridor Extension is currently estimated to have a total cost of \$944 million; and

WHEREAS, The Project will be built with funds from i) grant moneys from the Federal Transit Administration pursuant to a Full-Funding Grant Agreement; (ii) state grant moneys from the Oregon Department of Transportation; (iii) contributions by Tri-Met and the other regional participants; and (iv) the proceeds of the \$125 million in General Obligation bonds Tri-Met have been authorized by the voters to issue for the purpose of financing part of the Project costs; and

WHEREAS, Past actions have allocated \$15 million ("Bond Proceeds") of the \$125 million General Obligation bond issue to the proposed Light Rail System Expansion into Clackamas County; and

WHEREAS, Tri-Met intends to issue the total of \$125 million in General Obligation bonds in July of 1992; and

WHEREAS, Because the FTA funds may not be made available as needed to fund the federal share of the Project as the most efficient construction schedule may allow, it may be necessary to use other available sources of funds as well as the proceeds of interim borrowing by Tri-Met (the "Interim Obligation") to pay such federal share pending receipt of the FTA funds in order to proceed with the Project in the most efficient and cost-effective manner; and

WHEREAS, Tri-Met is required to establish a Capital Reserve Account (CAPRA) for the Project which funds must be held available and not otherwise be committed to the Project; and

WHEREAS, Tri-Met intends to fund all portions of the Project with moneys available at the time each portion requires funding; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District:

1. Endorses the sale of General Obligation bonds for the extension of the Light Rail System into Clackamas County in the amount of \$15 million ("Bond Proceeds") as a component of a single \$125 million bond sale.

2. Endorses the availability of approximately \$4 million in earned interest from the total \$125 million of bond proceeds over the next five years to pay for the costs of performing the Preliminary Engineering, Alternatives Analysis, Preliminary and Final Environmental Impact Statement and, if appropriate,

acquisition of land and rights-of-way needed for the East Portland/Clackamas County Corridor.

3. Endorses the use of the bond proceeds, pledged simultaneously with other regional Light Rail Bond Proceeds, if needed to meet interim borrowing obligations and CAPRA requirements of the Westside Project with the understanding that the bond proceeds will be the first moneys to be unencumbered when the Interim Obligations and CAPRA requirements have been satisfied. This will result in the availability of \$15 million plus interest (less any previous expenditures from bond proceeds) to the East Portland/Clackamas County Corridor.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_ day of \_\_\_\_, 1992.

Jim Gardner, Presiding Officer

NM:lmk  
92-1646.RES  
7-2-92

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1646 FOR THE PURPOSE OF ENDORISING COMMITMENT OF TRI-MET GENERAL OBLIGATION BONDS TO EAST PORTLAND/CLACKAMAS COUNTY LRT DEVELOPMENT AND WESTSIDE CREDIT ENHANCEMENT

Date: June 18, 1992

Presented by: Andrew Cotugno

## PROPOSED ACTION

Adopt Resolution No. 92-1646 endorsing the issuance by Tri-Met of \$125 million in General Obligation bonds of which \$15 million is designated for the Clackamas County Extension. Proceeds will be available for:

1. Approximately \$4 million in costs of the preliminary planning and land acquisition and rights-of-way needed for the Clackamas County Extension from earned interest of the total bond sale.
2. Interim borrowing obligations and federal share obligations of the Westside Project.
3. To meet Capital Reserve Account requirements of the Westside Project.

TPAC has reviewed the proposed endorsement and unanimously recommends approval of Resolution No. 92-1646.

## FACTUAL BACKGROUND

Tri-Met is currently finalizing its plans to undertake the construction of the Westside Corridor Extension. Negotiations are underway with the Federal Transit Administration (FTA) to complete a Full-Funding Grant Agreement (FFGA). In order for federal funds to be made available for the project, the FFGA must be in place.

As part of the FFGA negotiations, FTA will require Tri-Met to demonstrate its capability to financially meet both the interim borrowing requirements of the project and the Capital Reserve Account (CAPRA).

Since the filing of the federal grant application in August of 1991, Tri-Met proposed to meet the construction schedule of the Project partially with borrowed funds. In order for Tri-Met to obtain short-term borrowing capacity, it must first acquire a Letter of Credit (LC) from a large well-known banking institution. The LC bank will require Tri-Met to provide local sources of funds which will be available to pay for the short-term borrowing at the time it becomes due. Tri-Met intends to use a variety of sources of funds to meet this obligation.

Tri-Met intends to issue the full \$125 million General Obligation bonds authorized by the voters for the Westside Project. Of the bond proceeds, \$15 million has been designated for the Clackamas County Extension. Over the next five years, approximately \$4 million of interest earnings from the total \$125 million bond issuance will be available to support preliminary planning, land acquisition and related costs for a Clackamas County Light Rail Extension. Tri-Met intends to use the remaining Clackamas County bond proceeds to help meet the interim borrowing and CAPRA obligations of the Westside Project. As the interim borrowing obligations and CAPRA requirements decline, these bond proceeds will be the first moneys to be unencumbered, resulting in the availability of the \$15 million plus interest (less any previous expenditures from bond proceeds) to the Clackamas County Extension.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1646.



Meeting Date: July 23, 1992  
Agenda Item No. 4.6

RESOLUTION NO. 92-1651



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

**DATE:** July 16, 1992

**TO:** Metro Council  
Executive Officer  
Interested Parties

**FROM:** Paulette Allen, Clerk of the Council *PA*

**RE:** AGENDA ITEM NO. 4.6; RESOLUTION NO. 92-1651

The Solid Waste Committee will meet to consider Resolution No. 92-1651 on July 21. The Committee Report will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

FOR THE PURPOSE OF CONFIRMING	)	RESOLUTION NO. 92-1651
THE APPOINTMENT OF DEL SEITZINGER,	)	
STEFANIE GRAFF AND ARNOLD POLK	)	Introduced by Rena Cusma,
TO FILL VACANCIES ON THE 1% FOR	)	Executive Officer
RECYCLING ADVISORY COMMITTEE	)	

WHEREAS, The Council of the Metropolitan Service District adopted Ordinance No. 88-250B on July 14, 1988, creating the Advisory Committee for the 1% for Recycling Program; and

WHEREAS, The Council subsequently adopted Ordinance No. 89-324 on December 14, 1989 to implement staggered terms of two (2) years in even years and two (2) years in odd years; and

WHEREAS, The terms of members Karen Griffin, Gilbert Randle and Forrest Soth, representing Clackamas, Multnomah and Washington Counties respectively, expired on December 31, 1991; and

WHEREAS, New members are required to maintain the geographic, industry, and citizen balance; and

WHEREAS, The Executive Officer has authority to appoint members to this committee for Council confirmation; now, therefore,

**BE IT RESOLVED,**

That the Council of the Metropolitan Service District hereby confirms the appointments of the following persons to the Recycling Advisory Committee: Del Seitzinger, Clackamas County; Stefanie Graff, Multnomah County; and Arnold Polk, Washington County to serve two years commencing January 1, 1992, through December 31, 1993.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer

JM:ay  
1%/SW921651.RES  
June 30, 1992

METROPOLITAN SERVICE DISTRICT

2000 SW First Avenue  
Portland, OR 97201-5403  
(503) 221-1646

Appointment Interest Form

Special Interests, If Any Preference:

1% Well Spent Committee

\*\*\*\*\*

Metro Office Comments:

\*\*\*\*\*

Name: Del Seitzinger

Date: June 4, 1992

Home

Address: 14605 SE Arista Drive, Milwaukie, Oregon 97267-1154

Business

Address: 50 SW Pine Street, Suite 200, Portland, Oregon 97204

Home Phone: 786-0186

Business Phone: 226-0983

Social Security No.: 544-78-1316

Metro District No.: 6

(i.e. the district that you live in)

The following information is voluntary:

Sex: Male

Ethnic Origin: Oregonian

(Metro strives for ethnic and minority balance, as well as geographic representation, in the membership composition.)

School (Include High School)

Location

Major or Degree

University of Oregon

Eugene, Oregon

BBA, Finance & Management

Monroe Union High School

Monroe, Oregon

N/A

List Major Employment and/or volunteer activities beginning with most recent (include all experiences you believe to be relevant)

Date (to/from)	Employer/Organization	Position
7/90 - Present	Palmer, Groth & Pietka	Commercial Appraiser
1/89 - 7/90	Lane County Department of Assessment & Taxation	SFR Appraiser
5/86 - 7/90	Independently Employed	Real Estate Appraisal Research
1977 - 1986	Several volunteer organizations related to community/University service, including transportation and planning at the University of Oregon.	
1973 - 1979	Dave's Masonry <sup>1</sup>	Labor Crew Foreman

Experience, skills or qualifications you feel would contribute to a public service appointment:

I possess a variety of group/organization participation and leadership skills which I developed through involvement in both paid and volunteer organizations during the time I attended the University of Oregon. These skills were further advanced during the time that I worked within the bureaucracy of Lane County government and by participation in labor union activities (particularly the contract negotiating team). My level of involvement includes leadership rolls as well as group member participation. I believe these skills would be a benefit to a public service committee if I were appointed.


(Please see attached for specific information related to the 1% Well Spent Committee)

Outline your reasons and interests in applying for appointment:

I have found that my involvement in volunteer organizations provides satisfaction both on a personal level as a result of the feeling that I have made some (valuable) contribution to my community, and also from the knowledge that a circumstance or event will benefit the society/community as a result of my contribution.

(Please see attached for specific information related to the 1% Well Spent Committee)

June 4, 1992  
Date

  
Applicant's Signature

Please attach a separate sheet/resume if you so desire

<sup>1</sup> Summers, weekends and school vacations.

1% Well Spent Committee  
Additional Information  
Del Seitzinger

In regard to experience, skills and qualifications, I believe that I possess several abilities and have experience which would benefit this committee. In my work as an appraiser, I have had the opportunity to inspect several properties throughout several areas in Oregon, primarily in the Portland Metropolitan area and Lane, Benton and Linn Counties. These inspections have provided first hand experience of the effects of a variety of levels of pollution and contamination, from relatively self-supporting residential/farm properties to industrial sites with hazardous waste materials present.

Although I have no formal education related specifically to recycling technology, I believe that I have a very good understanding of most of the aspects of recycling for a layperson.

My work, appraising income-producing properties, basically involves collection of data and analysis of information in order to formulate opinions regarding real estate. My perception of the 1% Well Spent Committee is that its primary function is to review information related to proposals for recycling efforts in order to decide which proposals should be funded from a limited grant source. I believe that my combination of experience, analytical skills and decision making ability fit the needs of this committee very well.

I am interested in applying for this specific committee for a variety of reasons.

I am very concerned about the environment in which we live, and perceive that if something isn't done about the way we as a society manage our wastes that insurmountable problems regarding land fills and quality of life are inevitable.

I have been interested in recycling as one component of the solution for this potential problem for as long as I have been able to understand the concept.

My ultimate objective would be to aid in the development of a society in which recycling activities are not the result of a conscious choice, but rather the societally accepted norm as a way of life.

I realize that this is an idealistic view of what we could eventually evolve to and that I will not likely see it in my lifetime, however, I view an appointment to this committee as a very small first step allowing me to contribute to my utopian view of what could be.

My perception of the current situation is that primary emphasis should be applied to developing technologies which utilize recycled materials as raw materials/resource inputs for other products. This perception is the result of reports that the supply of recycled materials is currently outpacing the demand for them resulting in problems which include increased storage costs.

As the technology improves and demand increases, it would seem to make sense to shift efforts and resources to improving public education and awareness of recycling efforts and activities, and to improving transportation/shipping systems for recycled materials.

METROPOLITAN SERVICE DISTRICT

2000 SW First Avenue  
Portland, OR 97201-5403  
(503) 221-1646

APPOINTMENT INTEREST FORM

Special Interests, If Any Preference:

Source reduction, recycling, developing markets for recyclable commodities, and  
public education of source reduction and recycling issues.

METRO OFFICE COMMENTS:

NAME: Stefanie Graff DATE: June 10, 1992

HOME ADDRESS: 323 NW 17th Avenue, Portland, OR 97209  
Street City State Zip

BUSINESS ADDRESS: NA  
Street City State Zip

HOME PHONE: (503) 227-1944 BUSINESS PHONE:

SOCIAL SECURITY No. 558-29-9154 METRO DISTRICT No.:  
(i.e., the district that you live in)

THE FOLLOWING INFORMATION IS VOLUNTARY:

SEX: Female ETHNIC ORIGIN White

(METRO STRIVES FOR ETHNIC AND MINORITY BALANCE, AS WELL AS GEOGRAPHIC REPRESENTATION, IN ITS MEMBERSHIP COMPOSITION.)

SCHOOL (INCLUDE HIGH SCHOOL) LOCATION MAJOR OR DEGREE

Antioch High School Antioch, CA

CSU Sacramento Sacramento, CA B.S., Business Administration

CSU San Francisco San Francisco, CA Integrated Waste Management

LIST MAJOR EMPLOYMENT AND/OR VOLUNTEER ACTIVITIES, BEGINNING WITH MOST RECENT (INCLUDE ALL EXPERIENCES YOU BELIEVE TO BE RELEVANT)

DATE (TO/FROM)	EMPLOYER/ORGANIZATION	POSITION
11/90 - 4/92	Browning Ferris Industries, Inc.	Recycling Coordinator
1/92 - 5/92	Volunteer Center of Contra Costa County	Volunteer/Fundraising

EXPERIENCE, SKILLS, OR QUALIFICATIONS YOU FEEL WOULD CONTRIBUTE TO A PUBLIC SERVICE APPOINTMENT:

I recently completed a year-long Leadership Training program where I learned valuable leadership skills and developed my knowledge of how change is made within a community. I believe I can use these skills in an area where I have both experience and interest. I have also completed coursework at CSU San Francisco on Integrated Waste Management. I studied solid waste issues and recycling problems and solutions. This provided me with a very thorough overview of the industry, while my professional experience as a Recycling Coordinator provided both specific and general knowledge of the industry.  
OUTLINE YOUR REASONS AND INTERESTS IN APPLYING FOR AN APPOINTMENT:

I am very interested in the solid waste and recycling industry and I strongly believe it is vital to recognize new ideas and develop new technology in the industry. I think this program is instrumental in accomplishing that goal.

6/10/92

Date

Stefanie Hagg

Applicant's Signature

PLEASE ATTACH A SEPARATE SHEET/RESUME IF YOU SO DESIRE



## METROPOLITAN SERVICE DISTRICT

2000 SW First Avenue  
Portland, OR 97201-5403  
(503) 221-1646

## APPOINTMENT INTEREST FORM

Special Interests, If Any Preference:

1 1/2 WELL SPENT FOR RECYCLING ADVISORY COMMITTEE\*\*\*\*\*  
METRO OFFICE COMMENTS:  
\*\*\*\*\*NAME: ARNOLD S. POLK DATE: 6/9/92HOME ADDRESS: 13165 SW FALCON RISE, TIGARD, OR 97223  
Street City State ZipBUSINESS ADDRESS: 4340 SW 110th, BEAVERTON, OR 97005  
Street City State ZipHOME PHONE: 524-4164 BUSINESS PHONE: 626-7700SOCIAL SECURITY NO. 344-38-0330 METRO DISTRICT NO.: 4  
(i.e., the district that you live in)

THE FOLLOWING INFORMATION IS VOLUNTARY:

SEX: M ETHNIC ORIGIN: Caucasian

(METRO STRIVES FOR ETHNIC AND MINORITY BALANCE, AS WELL AS GEOGRAPHIC REPRESENTATION, IN ITS MEMBERSHIP COMPOSITION.)

SCHOOL (INCLUDE HIGH SCHOOL)	LOCATION	MAJOR OR DEGREE
UNIV. OF OREGON LAW SCHOOL,	EUGENE, OR	J.D.
UNIV. OF WISCONSIN	MADISON, WI	B.B.A.
ROGER C. SULLIVAN, H.S.	CHICAGO, IL	

LIST MAJOR EMPLOYMENT AND/OR VOLUNTEER ACTIVITIES, BEGINNING WITH MOST RECENT (INCLUDE ALL EXPERIENCES YOU BELIEVE TO BE RELEVANT)

DATE (TO/FROM)	EMPLOYER/ORGANIZATION	POSITION
1981 - date	Self employed attorney & CPA	
1980 - 1981	Instructor of accounting & auditing	
	Oregon State University	
1972 - date	Self employed CPA	

EXPERIENCE, SKILLS, OR QUALIFICATIONS YOU FEEL WOULD CONTRIBUTE TO A PUBLIC SERVICE APPOINTMENT:

Member Oregon Society of CPA Ethics Committee 1985

OUTLINE YOUR REASONS AND INTERESTS IN APPLYING FOR AN APPOINTMENT:

My family is grown and I have time to repay the community for the benefits of living in the Metro area.

My education and professional experience has trained me to evaluate the proposals to be reviewed by the committee.

6/9/92

Date

Applicant's Signature

PLEASE ATTACH A SEPARATE SHEET/RESUME IF YOU SO DESIRE

## **STAFF REPORT**

### **CONSIDERATION OF RESOLUTION NO. 92-1651 FOR THE PURPOSE OF CONFIRMING THE APPOINTMENT OF DEL SEITZINGER, STEFANIE GRAFF, AND ARNOLD POLK TO FILL VACANCIES ON THE 1% FOR RECYCLING ADVISORY COMMITTEE**

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Date: July 21, 1992

Presented by: Judith Mandt

## **FACTUAL BACKGROUND AND ANALYSIS**

In accordance with the provisions of Resolution No. 89-324, the terms of three members of the 1% For Recycling Advisory Committee expired December 31, 1991.

The executive Officer initiated a recruitment process for volunteers to serve on the committee, which included announcements in newspapers of general circulation and inquiries to local governmental units for membership recommendations. The pool of applicants was reviewed to select individuals who contribute a good balance of perspective and background to compliment the experience of existing committee members and carry out the 1% For Recycling Program.

Replacement members have been appointed by the Executive Officer to maintain the required geographic distribution. Appointments now before the Council for recommendation are:

Del Seitzinger, Clackamas County  
Stefanie Graff, Multnomah County  
Arnold Polk, Washington County

Resume materials are attached. All appointees have been contacted and understand the duties, timetable and commitment involved in serving on the committee.

## **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends approval of Resolution No. 92-1651 and Council confirmation of the three appointees to the 1% For Recycling Advisory Committee

Meeting Date: July 23, 1992  
Agenda Item No. 4.7

RESOLUTION NO. 92-1653



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Parties

FROM: Paulette Allen, Clerk of the Council *PA*

RE: AGENDA ITEM NO. 6.8; RESOLUTION NO. 92-1653

The Finance Committee report on Resolution No. 92-1653 will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Date: July 16, 1992  
To: Finance Committee  
From: Donald E. Carlson, Council Administrator *DEC*  
Re: Proposed Changes to Draft Resolution No. 92-1653

The Agenda Packet contains a Draft resolution brought to the Committee by Council Staff for your consideration to introduce and recommend Council approval. Attached please find a revised Draft Resolution No. 92-1653 that we are recommending for your approval. The proposed changes include 1) removal of the provisions which waive subsequent Council contract approval requirements and 2) substantial revisions to the RFP document (Exhibit A).

In regard to the contract approval issue Council Staff believes that this matter is of sufficient importance to the Council that following completion of the evaluation and selection process, a recommendation (through a proposed contract) should be brought to the entire Council for its approval. The purpose of this contract is to acquire performance audit services for the Council for the next three years.

Major changes proposed for the RFP include 1) a revision of the Scope of Work Section to remove the three phase description and simply state that the consultant shall be required to perform one performance audit in each of three years; 2) various clarifying instructions in the Proposal Instructions Section to assist proposers in submitting proposals and understand how the proposal will be evaluated; and 3) the addition of Information Release language and DBE/MBE language in the General Proposal/Contract Conditions Section.

The proposed Revised RFP has been review by both the General Counsel and the Contract Officer. Changes suggested by these persons have been incorporated in the Revised RFP.

A tentative general schedule for this procurement process is as follows:

DATE	EVENT
Monday July 27, 1992	Release of the RFP
Monday August 17, 1992	Submission Deadline

Week of August 24--28

Selection and Interview  
Process

September 3, 1992

Finance Committee  
Consideration of Contract

September 10, 1992

Council Consideration  
of Contract

The proposed Selection Committee for this procurement is Jim Gardner, Presiding Officer; George Van Bergen, Finance Committee Chair; Don Carlson, Council Administrator; Dick Engstrom, Deputy Executive Officer; and Dick Tracy, City of Portland Auditor's Office.

cc: Dick Engstrom

Res 92-1653 memo

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING A	)	RESOLUTION NO. 92-1653
REQUEST FOR PROPOSAL DOCUMENT FOR	)	
PERFORMANCE AUDIT SERVICES	)	Introduced by the
	)	Finance Committee

WHEREAS, The Metro Council developed a Performance Auditing Plan in Fiscal Year 1988-89; and

WHEREAS, The Council has had a performance audit program in place for the three fiscal years 1989-90 through 1991-92, and received performance audits of the Finance and Administration Department, Metro's Solid Waste Function, and the Business Practices of the Metropolitan Exposition-Recreation Commission; and

WHEREAS, The Council in FY 1989-90 entered into a three-year contract for the performance audit program, which contract expired on June 30, 1992; and

WHEREAS, The Council wishes to continue the performance audit program for another three-year period; and

WHEREAS, Metro's 1992-93 Adopted Budget contains \$60,000 in the Council Department's budget for performance audit services; and

WHEREAS, Section 2.04.033(b) of the Metro Code requires Council approval of a Request for Proposals (RFP) for certain classes of contracts, including multi-year contracts designated as "A" contracts; and

~~(WHEREAS, Section 2.04.033(b) further provides that at the time of Council approval of the RFP documents, the Council may waive the requirement of Council approval of the final contract; and)~~



WHEREAS, The proposed performance audit contract is a multi-year "A" contract, and therefore requires Council approval of the RFP; and

WHEREAS, The proposal document has been filed with the Council Clerk; now, therefore,

BE IT RESOLVED,

(1.) That the Council of the Metropolitan Service District approves the Request for Proposals for Performance Audit Services attached as Exhibit A hereto and authorizes that it be released for response by vendors or proposers.

~~(2.---That the Council hereby waives the requirement of Council approval of the final contract for Performance Audit Services and authorizes the Council Administrator to execute the contract upon completion of the prescribed selection process described in Exhibit A, provided that the cost for the FY 1992-93 audit does not exceed the budgeted amount of \$60,000.--)~~

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

REVISED EXHIBIT A  
METROPOLITAN SERVICE DISTRICT  
REQUEST FOR PROPOSALS  
FOR  
PERFORMANCE AUDIT SERVICES

I. INTRODUCTION

The Council of the Metropolitan Service District is requesting proposals to acquire performance audit services for a three year period, from approximately September 1, 1992 through June 30, 1995. Proposals will be due on \_\_\_\_\_, 1992 at 5:00 p.m. PDT in the Metro Council office at 2000 S.W First Avenue, Portland, Oregon 97201-5398. Details concerning the project and proposal are contained in this document.

II. BACKGROUND OF THE PROJECT

The Metropolitan Service District has been in existence in its current form for over 12 years. The District is responsible for providing the "metropolitan aspect" of public services or functions in the Portland metropolitan area. The District's boundary covers the urban or urbanizing portions of Clackamas, Multnomah and Washington counties. Population figures from the 1990 census showed just over 1,050,000 people reside within the District's boundary. Currently the District is responsible for: the development and operation of the Zoo; the planning, development and operation of the solid waste disposal system; the operation of the Oregon Convention Center and management of regional arts and spectator facilities owned by the City of Portland; urban growth management planning; transportation planning and various local government assistance programs; and adoption and management of the metropolitan Urban Growth Boundary.

The District is governed by a 12-member Council with members being directly elected from Council districts of approximately equal population. In January, 1993, pursuant to state law, the Council will increase to 13 members. The Council is responsible for 1) development and approval of policy direction for the District (enactment of ordinances, resolutions, and adoption of the fiscal year budget and approval of periodic budget adjustments); and 2) policy oversight of the Administration to assure that adopted policies and programs of the District are implemented efficiently and effectively.

The District is administered by an Executive Officer directly elected from the District at large. The Executive Officer is responsible for administering the affairs of the District and in doing so carrying out the policies and programs adopted by the Council. The Executive Officer is responsible for submitting a proposed budget to the Council and may present plans and proposed policies for Council consideration and approval.

The Council has had a performance audit program in effect since January 1990, for the three fiscal years 1989-90 through 1991-92. This program was established pursuant to a Performance Audit Plan prepared by a consulting firm in 1989, which the Council adopted by approval of Resolution No. 89-1030. (A copy of the Performance Audit Plan is included as Attachment A.)

The Council included \$60,000 in its 1992-93 Adopted Budget to conduct a performance audit. It is anticipated that one audit will be performed each year of the three-year engagement, subject to the annual appropriation of funds for the audit program.

### III. SCOPE OF WORK

Conduct one performance audit each fiscal year on any of the functions, departments or programs of the District. In carrying out this task the auditor shall:

- a. Make presentations to the Metro Council and Council Committee as needed, and
- b. Provide written copies of the performance audit as specified in the specific contract scope of work.

The subject of each year's performance audit will be determined early in each fiscal year following consultation among Councilors, Council Staff and the performance auditor. Work of the performance auditor will be coordinated through the Council Administrator or his/her designee.

### IV. PROPOSAL INSTRUCTIONS.

The following section defines the deadline, format and content required for the consultants' proposals and the basis upon which the proposals will be evaluated.

#### A. Deadline and Submission of Proposals

Seven (7) copies of the consultant's proposal must be provided. The proposals shall be directed to the attention of:

Mr. Donald E. Carlson  
Council Administrator  
Metropolitan Service District  
2000 SW First Avenue  
Portland, Oregon 97201-5398

Proposals will not be considered after 5:00 p.m. PDT \_\_\_\_\_ (day) \_\_\_\_\_, \_\_\_\_\_ (date), 1992. Postmarks are not acceptable.

## B. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information which is not contained in this RFP will not be considered by Metro in evaluating the proposals. All questions relating to this RFP must be submitted in writing to Donald E. Carlson, Council Administrator. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after \_\_\_\_\_ (day) \_\_\_\_\_, \_\_\_\_\_ (date) \_\_\_\_\_, 1992.

## C. Format and Content

The format required for the proposal is:

- Letter of Transmittal
- Part I      Approach to Conducting a Performance Audit
- Part II     Project Staffing
- Part III    Qualifications and Experience
- Part IV     Cost Proposal

Each part should be clearly identified for easy reference.

### 1. Letter of Transmittal

The Letter of Transmittal should contain a brief summary of the key points of the proposal and must include the following:

- Identification of firm(s) involved and designation of the prime consultant, if more than one firm is involved.
- A statement that the proposal will remain in effect for ninety (90) days after receipt by Metro.

### 2. Part I - Approach to Conducting a Performance Audit

The consultant should describe the proposed approach including 1) tasks/activities required to accomplish a successful performance audit; 2) approach to dealing with policy makers and program/administrative personnel; 3) standards to be met; and 4) other items of relevance to this section.

### 3. Part II - Project Staffing

The consultant should identify each individual who will be primarily assigned to this engagement. Relevant experience must be presented for each primary staff member with particular emphasis on the following:

- Role and responsibility proposed for this engagement and a statement as to their availability.

- Experience in the conduct of performance audits, particularly in a public sector setting.

The proposal must indicate a single person as project manager who will work with Council Staff for the duration of the engagement. A list of references should be provided for each primary staff person. Changes in the primary staff assigned to the project in future years may be permitted upon prior approval of the Council Administrator.

The proposal should include additional professional and technical resources available to be used on performance audits on a variety of functions for which the District is responsible. Include a description of qualifications and experience for any person so identified.

#### 4. Part III - Qualifications and Experience

The consultant should describe the company's qualifications to provide performance audit services for the Metro Council. List and briefly describe all relevant performance audit projects completed or underway including references.

As part of the firm's listing of experience and professional credentials, consultant should provide information on past minority and women-owned business subcontracting relationships and a copy of the firm's own Affirmative Action Plan.

#### 5. Part IV - Cost Proposal

The consultant should identify expected deliverables and services for a standard performance audit. The proposal should include a proposed fee schedule for the primary persons assigned to the engagement (hourly rate of pay), as well as all other costs such as travel/per diem, clerical and miscellaneous costs.

#### D. Evaluation Process

All proposals will be evaluated based on the following factors and rating scale:

	<u>Percent</u>
► Effectiveness of approach to conducting a performance audit	30
► Quality of proposed staff	30
► Qualifications and experience in conducting performance audits	30
► Cost Proposal	10

The decision shall be made based upon an initial review of all written materials and a subsequent interview of finalists.

E. General Proposal/Contract Conditions

1. Information Release

All consultants are hereby advised and through submission of a proposal agree and release Metro to solicit and secure background information based upon the information including references provided in response to this RFP. Fully descriptive and complete information should therefore be provided to assist in this process and ensure the appropriate impact.

2. Limitations of Award

This RFP does not commit Metro to the award of a contract, or to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.

3. Contract Type

Metro intends to award a Personal Services Agreement with the selected firm or individual. A copy of the standard contract form approved by Metro General Counsel is attached. Any proposed changes in the language, construction or requirements of the document must be raised and resolved as a part of this RFP process. All consultants are therefore advised to review, clearly document, and include a response to this document in their proposal.

4. Billing Procedures

Proposers are informed that the billing procedures of the selected firm or person are subject to the review and prior approval of Metro before reimbursement for services can occur. A monthly billing, accompanied by a progress report, will be prepared for review and approval.

5. Validity Period and Authority

The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company or firm contracted during the period in which Metro is evaluating the proposal.

#### 6. Completion Date

It is anticipated that Council Staff and Councilors selected by the Presiding Officer shall determine the subject area(s) for the initial performance audit no later than October 1, 1992, in consultation with the consultant. The initial performance audit shall be completed including printing report(s) for submission to the Council by March 15, 1993. Following successful completion of the initial performance audit, the Council Staff and Councilors selected by the Presiding Officer shall develop work plans and cost proposals in consultation with the consultant for the subsequent performance audit(s).

#### 7. Disadvantaged, Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the consultant's attention is directed to Section 2.04.160 of the Metro Code and an October, 1991 letter from Metro's Deputy Executive Officer which strongly encourages good faith efforts to utilize Disadvantaged, Minority and Women Owned Business Enterprises and subcontractors and suppliers.

All questions concerning Metro's DBE/WBE Program should be addressed to Rich Wiley, Procurement Officer at (503) 221-1646, Ext. 536.



# METRO

2000 SW First Avenue  
Portland, OR 97201-5398  
(503) 221-1646  
Fax 241-7417

October 22, 1991

Dear Potential Bidder/Proposer:

For the past ten years, the Metropolitan Service District has had a special contracting program to encourage participation in metro contracts by businesses owned by minorities including women. This program has been applied to both federally funded and locally funded projects.

We have now been advised by our General Counsel that the Metro Code provisions relating to participation by minority-owned businesses in locally funded contracts are unconstitutional.

Therefore, I must reluctantly advise you that until the Metro Council acts to correct this defect and/or adopts a new program, I cannot and will not act in probable violation of the law and attempt to enforce the present Metro DBE and WBE Program requirements on locally funded projects.

The economy of the Metro region is comprised of a multitude of emerging and small businesses which mirror the racial diversity within our boundaries. They're our customers and clients. They pay taxes. They hire the local work force. They determine the health of the local economy. Supporting those businesses should not be viewed as just a requirement. Supporting those businesses should be viewed as good business!

I, therefore encourage you to set the legal question aside and voluntarily follow good faith efforts to utilize Disadvantaged, Minority and Women Owned Business Enterprises as your subcontractors and suppliers.

Please consider these issues carefully. Talk to your legal counsel. Reflect upon the larger issue. If you have questions, please contact Rich Wiley at Metro 221-1646 x 116.

Respectfully,



Richard D. Engstrom  
Deputy Executive Officer

Executive Officer  
Rena Cusma

Metro Council

Tanya Collier  
Presiding Officer  
District 9

Jim Gardner  
Deputy Presiding  
Officer  
District 3

Susan McLain  
District 1

Lawrence Bauer  
District 2

Richard Devlin  
District 4

Tom DeJardin  
District 5

George Van Bergen  
District 6

Ruth McFarland  
District 7

Judy Wyers  
District 8

Roger Buchanan  
District 10

David Knowles  
District 11

Sandi Hansen  
District 12



above. This process shall be repeated until a bidder or proposer is determined to meet the provisions of this section or until Metro determines that the remaining bids are not acceptable because of amount of bid or otherwise.

(g) The Liaison Officer, at his or her discretion, may waive minor irregularities in a bidder's or proposer's compliance with the requirements of this section provided, however, that the bid or proposal substantially complies with public bidding requirements as required by applicable law.

(Ordinance No. 83-165, Sec. 12; amended by Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1)

#### 2.04.160 Determination of Good Faith Efforts:

(a) Bidders or Proposers on USDOT-assisted contracts to which DBE goals apply must, to be eligible for contract award, comply with the applicable contract goal or show that good faith efforts have been made to comply with the goal. Good faith efforts should include at least the following standards established in the amendment to 49 CFR §23.45(h), Appendix A, dated Monday, April 27, 1981. A showing of good faith efforts must include written evidence of at least the following:

- (1) Attendance at any presolicitation or prebid meetings that were scheduled by Metro to inform disadvantaged and women business enterprises of contracting and subcontracting or material supply opportunities available on the project;
- (2) Advertisement in trade association, general circulation, minority and trade-oriented, women-focus publications, if any and through a minority-owned newspaper or minority-owned trade publication concerning the sub-contracting or material supply opportunities at least 10 days before bids or proposals are due.
- (3) Written notification to a reasonable number but no less than five (5) DBE firms that their interest in the contract is solicited. Such efforts should include the segmenting of work to be subcontracted to the extent consistent with the size and capability of DBE firms in order to provide reasonable subcontracting opportunities. Each bidder should send solicitation letters inviting quotes or proposals from DBE firms, segmenting portions of the work and specifically describing, as accurately as possible, the portions of the work for which quotes or proposals are solicited from

DBE firms and encouraging inquiries for further details. Letters that are general and do not describe specifically the portions of work for which quotes or proposals are desired are discouraged, as such letters generally do not bring responses. It is expected that such letters will be sent in a timely manner so as to allow DBE sufficient opportunity to develop quotes or proposals for the work described.

- (4) Evidence of follow-up to initial solicitations of interest, including the following:
  - (A) The names, addresses, telephone numbers of all DBE contacted;
  - (B) A description of the information provided to DBE firms regarding the plans and specifications for portions of the work to be performed; and
  - (C) A statement of the reasons for non-utilization of DBE firms, if needed to meet the goal.
- (5) Negotiation in good faith with DBE firms. The bidder shall not, without justifiable reason, reject as unsatisfactory bids prepared by any DBE firms;
- (6) Where applicable, the bidder must provide advice and assistance to interested DBE firms in obtaining bonding, lines of credit or insurance required by Metro or the bidder;
- (7) Overall, the bidder's efforts to obtain DBE participation must be reasonably expected to produce a level of participation sufficient to meet Metro's goals; and
- (8) The bidder must use the services of minority community organizations, minority contractor groups, local, state and federal minority business assistance offices and other organizations identified by the Executive Department's Advocate for Minority and Women Business that provide assistance in the recruitment and placement of DBEs and WBEs.

(b) Bidders or proposers on locally-funded contracts to which DBE/WBE goals apply shall achieve the applicable contract goal or demonstrate that they have made good faith efforts to achieve the

goals. Good faith efforts shall include written documentation of at least the following actions by bidders:

- (1) Attendance at any presolicitation or prebid meetings that were scheduled by Metro to inform DBEs and WBEs of contracting and subcontracting or material supply opportunities available on the project;

Documentation required: Signature of representative of bidder or proposer on prebid meeting attendance sheet.

- (2) Identifying and selecting specific economically feasible units of the project to be performed by DBEs or WBEs to increase the likelihood of participation by such enterprises;

Minimum documentation required: At least the documentation required under subsection (4) below.

- (3) Advertising in, at a minimum, a newspaper of general circulation, and trade association, minority and trade oriented, women-focused publications, if any, concerning the subcontracting or material supply opportunities on the project at least ten (10) days before bids or proposals are due;

Documentation required: copies of ads published.

- (4) Providing written notice soliciting sub-bids/proposals to not less than five (5) DBEs or WBEs for each subcontracting or material supply work item selected pursuant to (2) above not less than ten (10) days before bids/proposals are due.

If there are less than five certified DBEs/WBEs listed for that work or supply specialty then the solicitation must be mailed to at least the number of DBEs/WBEs listed for that specialty. The solicitation shall include a description of the work for which subcontract bids/proposals are requested and complete information on bid/proposal deadlines along with details regarding where project specifications may be reviewed.

Documentation required: Copies of all solicitation letters sent to DBE/WBE along with a written statement from the bidder/proposer that all the letters were sent by regular or certified mail not less than 10 days before bids/proposals were due.

- (5) Making, not later than five days before bids/proposals are due, follow-up phone calls to all DBEs/WBEs who have not responded to the solicitation letters to determine if they would be submitting bids and/or to encourage them to do so.

Minimum documentation required: Log showing a) dates and times of follow-up calls along with names of individuals contacted and individuals placing the calls; and b) results attained from each DBE/WBE to whom a solicitation letter was sent (e.g., bid submitted, declined, no response). In instances where DBE/WBE bids were rejected, the dollar amount of the bid rejected from the DBE/WBE must be indicated along with the reason for rejection and the dollar amount of the bid which was accepted for that subcontract or material supply item.

- (6) Using the services of minority community organizations, minority contractor groups, local, state and federal minority business assistance offices and other organizations identified by the Executive Department's Advocate for Minority and Women Business that provide assistance in the recruitment and placement of DBEs and WBEs; where applicable, advising and assisting DBEs and WBEs in obtaining lines of credit or insurance required by Metro or the bidder/proposer; and, otherwise, making efforts to encourage participation by DBEs and WBEs which could reasonably be expected to produce a level of participation sufficient to meet the goals.

Minimum documentation required: Letter from bidder/proposer indicating all special efforts made to facilitate attainment of contract goals, the dates such actions were taken and results realized.

- (7) Notwithstanding any other provision of this section, bidders and proposers on locally-funded contracts to which DBE/WBE goals apply need not accept the bid of a DBE or WBE on any particular subcontract or material supply item if the bidder/proposer demonstrates that none of the DBEs or WBEs submitting bids were the lowest responsible, responsive and qualified bidders/proposers on that particular subcontract item and that the subcontract item was awarded to the lowest responsible, responsive bidder/proposer.

Metro reserves the right to require additional written documentation of good faith efforts and bidders and proposers shall comply with all such requirements by Metro. It shall be a rebuttable presumption that a bidder or proposer has made a good faith effort to comply with the contract goals if the bidder has performed and submits written documentation of all of the above actions. It shall be a rebuttable presumption that the bidder has not made a good faith effort if the bidder has not performed or has not submitted documentation of all of the above actions.

(Ordinance No. 83-165, Sec. 13; amended by Ordinance No. 84-181, Sec. 6 and Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; and Ordinance No. 88-252, Sec. 1)

2.04.165 Replacement of DBE or WBE Subcontractors: Prime contractors shall not replace a DBE/WBE subcontractor with another subcontractor, either before contract award or during contract performance, without prior Metro approval. Prime contractors who replace a DBE or WBE subcontractor shall replace such DBE/WBE subcontractor with another certified DBE/WBE subcontractor or make good faith efforts as described in the preceding section to do so.

(Ordinance No. 83-165, Sec. 14; amended by Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1)

2.04.170 Records and Reports:

(a) Metro shall develop and maintain a recordkeeping system to identify and assess DBE and WBE contract awards, prime contractors' progress in achieving goals and affirmative action efforts. Specifically, the following records will be maintained:

- (1) Awards to DBEs and WBEs by number, percentage and dollar amount.
- (2) A description of the types of contracts awarded.
- (3) The extent to which goals were exceeded or not met and reasons therefor.

(b) All DBE and WBE records will be separately maintained. Required DBE and WBE information will be provided to federal agencies and administrators on request.

(c) The Liaison Officer shall prepare reports, at least semiannually, on DBE and WBE participation to include the following:

Project \_\_\_\_\_  
Contract No. \_\_\_\_\_

## PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation organized under ORS Chapter 268, referred to herein as "Metro," located at 2000 S.W. First Avenue, Portland, OR 97201-5398, and \_\_\_\_\_, referred to herein as "Contractor," located at \_\_\_\_\_.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective \_\_\_\_\_ and shall remain in effect until and including \_\_\_\_\_, unless terminated or extended as provided in this Agreement.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the maximum sum of \_\_\_\_\_ AND \_\_\_\_\_/100THS DOLLARS (\$\_\_\_\_\_), in the manner and at the time specified in the Scope of Work.
4. Insurance.
  - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:
    - (1) Broad form comprehensive general liability insurance covering personal injury and property damage, with automatic coverage for premises, operations, and product liability. The policy must be endorsed with contractual liability coverage; and
    - (2) Automobile bodily injury and property damage liability insurance.
  - b. Insurance coverage shall be a minimum of \$500,000 per occurrence, \$250,000 per person, and \$50,000 property damage. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000.

c. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.

d. Contractor, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability.

e. If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for three years after Metro makes final payment and all other pending matters are closed.

7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents.

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for

payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapter 279, and the recycling provisions of ORS 279.545 - 279.650, to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.

13. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor five days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

14. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

15. Modification. This Agreement is the entire agreement between the parties, and may only be modified in writing, signed by both parties.

CONTRACTOR

METROPOLITAN SERVICE DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



REPORT ON  
PERFORMANCE AUDITING PLAN  
FOR THE  
METROPOLITAN SERVICE DISTRICT COUNCIL

DECEMBER 1988

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## APPENDIX I - POTENTIAL PERFORMANCE AUDIT AREAS

## EXECUTIVE SUMMARY

Talbot & Korvola has completed it's overall review of Metro operations and has developed a plan for the agency to initiate a performance auditing program.

We do not see any major impediments to a successful performance auditing function provided our recommendations are adopted and acted on by the Council.

Our primary recommendations are that Metro:

1. Adopt the U.S. General Accounting Office's Government Auditing Standards, as it's guide for performance auditing work;
2. Contract for the professional services to perform this function for at least the first two years, and provide for continuing contract service if appropriate;
3. Budget \$80,000 to \$100,000 for each of the first two years for the performance audit function.
4. Establish a risk analysis system based on nine key criteria to identify areas for performance reviews; and
5. Assign the audit oversight responsibility to the Council's Internal Affairs Committee.

Our rationale leading to these recommendations is included in the body of our report.

Appendix I contains a listing of potential audit areas for Metro to consider for specific reviews. We recommend that Metro schedule performance audits in the first year of at least two of the following areas:

1. Contracting
2. General Fund/Cost allocations
3. Metro Policies and Procedures
4. Solid Waste Revenues

We have also developed a Performance Audit Guide that contains a mission statement, standards, and operating procedures to be followed for Metro's performance audit function. This Guide is provided as a separate document.

## INTRODUCTION

The Metropolitan Service District (Metro) Council entered into a professional services agreement with Talbot & Korvola, CPA's, on September 26, 1988 for the primary purpose of developing a performance auditing plan for Metro. The work includes identifying any potential impediments to successful performance auditing, and making recommendations to overcome any perceived problems.

The contractor's report and performance auditing guide was to include criteria for prioritizing work, standards to be followed, options for staffing the function, suggested budget level, and recommendations for specific performance audits.

## BACKGROUND

Metro was formed by the Oregon Legislature in 1977, and approved by the voters in 1978 as a directly-elected regional government. The purpose was to avoid duplication of public services and to increase the accountability of regional government officials to the public through the election process.

Metro is governed by 12 elected Councilors and by an elected Executive Officer. Metro serves the urban areas of Multnomah, Washington and Clackamas Counties. This region represents nearly one million people from 24 cities in the three counties.

Metro is responsible by statute for coordination of region-wide issues in the Portland Metropolitan Area. Services are provided in solid waste disposal management, transportation planning, technical services to local governments, operation of the Washington Park Zoo, and construction and operation of the Oregon Convention Center.

Metro's adopted budget for 1988-89 includes funds for the following primary activities (not including transfers, contingencies, and unappropriated balances):

<u>Operations</u>	<u>Millions</u>
Planning and Transportation	\$1.8
Metro ER Commission	1.8
General Support Services	4.0
Convention Center	5.9
Zoo	7.1
Solid Waste	13.3
 <u>Capital</u>	
Convention Center	\$34.9
Zoo	3.7
Solid Waste	3.5

## WORK PERFORMED

To accomplish our objective, we performed the following:

1. Obtained an overview of the entire Metro operation. We interviewed individual Councilors, the Council Administrator and his staff, and the Executive Officer. We reviewed (a) Metro's enabling legislation, (b) the organizational structures and related operating and procedural manuals, (c) the Council's implementing legislation and resolutions, (d) current budgets, and (e) internal and external reports on Metro activities, including financial reports by Metro's external auditors.
2. Obtained a basic understanding of Executive Office operations. We (a) conducted in-depth interviews with the Executive Officer and her staff, all department managers and other key officials, and (b) reviewed pertinent data and records for all functions.
3. Obtained and evaluated accounting and other information systems and resulting reports.
4. Obtained and considered the views of elected auditors for the City of Portland and Multnomah and Washington Counties. We also reviewed the financial and management letter reports of Metro's independent financial auditors.
5. Met with Senator Glen Otto and members of the task force team evaluating Metro responsibilities and authorities.

## PERFORMANCE AUDITING

We believe a fundamental understanding of performance auditing is important if Metro is to successfully implement our recommendations. Our report is based on this premise.

Performance auditing is a structured review of a program, organization, operation or function to evaluate and report on whether operating objectives are being achieved and whether resources (allocated for this purpose) are being used economically and efficiently.

Performance auditing essentially consists of two types of audits:

- Economy and efficiency audits are performed primarily to identify methods to improve procedures, usually at cost savings. This includes determining whether an organization's resources (i.e., funds, property, and personnel) are adequately controlled and used in an efficient, and economical manner.
- Program results audits are performed to evaluate whether desired results or benefits of an organization's programs

and activities are being achieved in accordance with applicable legislation, policy, or regulations. The audit also determines whether management has considered alternatives that might provide the same results at a lower cost.

Performance audits often lead to recommendations designed to improve program success and effectiveness. Most reviews produce measurable cost savings, increases in revenues, or other identifiable improvements. Performance auditing is not a substitute for management judgment, but rather is a management tool to assist in making decisions to improve operations. It differs from financial auditing which is directed towards forming an opinion on an organization's financial statements.

## ORGANIZING A PERFORMANCE AUDIT CAPABILITY

Performance auditing can provide an opportunity to save money, increase efficiency, and improve the quality of products and the delivery of services. However, proper planning and thoughtful decisions need to be made during the organization of a performance auditing function to ensure the time and resources devoted will produce positive results.

There are six major prerequisites which Metro must consider in establishing a performance audit capability:

1. Establishing and adhering to appropriate auditing standards;
2. Obtaining the highest level of professional staff, whether in-house or through contracts;
3. Establishing an appropriate organizational structure to oversee the auditing function and assure that recommendations are acted on;
4. Establishing and following a system for prioritizing review efforts to obtain the most value for money spent;
5. Setting up appropriate administrative guidelines to assure an orderly process; and
6. Authorizing appropriate funding to perform reviews on a continuing basis;

We will address each of these areas separately as they relate to Metro.

### 1. Audit Standards

It is important to adopt standards to be followed with respect to planning the work, performing the audits, documenting performance, and reporting results. Standards will assist in establishing order and discipline in the conduct of the work.

The United States General Accounting Office (GAO) has been the entity most responsible for development of performance auditing in the public sector. In 1972 the GAO published a landmark guide, Standards for Audit of Governmental Organizations, Programs, Activities and Functions, subsequently known as the "Yellow Book". The standards, which were revised and reissued in 1981 and again in 1988, have helped shape much of the evolution of performance auditing.

We recommend that Metro adopt GAO's 1988 revised "Yellow Book", which is now titled Government Auditing Standards, as its guide for performance auditing work. In addition to updating the general audit standards, the revision includes separate chapters on "Field Work Standards for Performance Audits" and "Reporting Standards for Performance Audits" which cover all the essential elements for this type of audit.

## 2. Professional Staff - In-House or Contract

The GAO first general standard includes the requirement that:

"The staff assigned to conduct the audit should collectively possess adequate professional proficiency for the tasks required."

The standards place responsibility on the audit organization to ensure that the staff can do the work. There are basic requirements for continuing education and training (80 hours every two years) to ensure the auditors keep current on audit developments.

There are other requirements for speciality areas such as computer knowledge, statistical sampling, engineering knowledge, etc. These qualifications apply to the knowledge and skills of the audit organization as a whole, and not necessarily to one individual.

When starting a new audit function, the question arises as to whether to establish an internal capability, contract with an independent firm, or pursue a combined approach. No single answer is right for all organizations. Each approach has its advantages.

Some advantages of internal capability include:

- Ability to shift assignments and priorities
- Organizational acceptance - i.e., that it will become a normal part of doing business
- Ability to mold working relationships
- Better knowledge of company operation over time.

Some advantages of contracting include:

- An experienced work force
- A greater range of expertise
- Staffing flexibility to assure timely project completion.
- Outside perception of true independence.

We recommend that Metro begin its performance auditing program by contracting for the services, rather than performing them in-house, for the following principal reasons:



- a. Independent contract auditors would provide a more objective, independent view. Nearly all of the Metro Councilors and Executive staff concurred in the importance of this factor to counter some of the outside criticism Metro has received.
- b. Size of staff. Our observations and experience with other similar size entities suggests that an effective internal audit organization would require a minimum of five professionals in order to cover the basic areas of competence necessary to meet the general standards for qualification of auditors. One person, acting alone, is seldom able to function effectively. Building an effective audit staff can be time consuming and expensive.
- c. Salary levels. A top professional performance audit manager will probably require a salary level of \$50,000 to \$60,000 annually. This level may be out of line with the salaries paid other Metro managers.

For continuity, we suggest the initial contract be established for a two-year period, with three one year options to follow at Metro's discretion. This will provide for the initial continuity which is important to start the program, and will allow Metro to re-evaluate this option after two years and decide the most appropriate way to proceed. Once funding is established and a performance audit contractor selected the reviews would be assigned as specific tasks. Detailed work plans and estimated budgets would be required before tasks were initiated by the Contractor.

### 3. Audit Oversight

An appropriate organization must be responsible for the performance auditing function. Audit oversight is important to assure the function is independent and can provide an objective analysis of Metro's programs and functions. It is also important to have the authority to assure that appropriate areas are selected for audit, that the function is properly funded and supported, and that audit recommendations are acted on in a timely manner.

In the case of Metro, the Council has general guidance, budgeting, and oversight responsibilities. Conversely, responsibility for administration and execution of the various programs falls directly within the purview of the Executive Officer. We believe Metro can best be served if the Council and the Executive Officer jointly participate in deciding areas to be examined, following preestablished criteria. However, final responsibility for audit selection as well as other oversight functions must devolve to the Metro Council.

In view of Metro's organization and structure, we recommend that the oversight responsibility rest with the Council's Internal Affairs Committee. This committee is currently comprised of the chairperson's of each of the council's various standing committees. It would therefore assure a full council viewpoint without requiring the difficult task of involving all council members in detailed discussions. A permanent staff person should be designated as audit coordinator to be responsible for preparing requests for proposals and assisting the Audit Committee in:

- Selecting the best qualified firm for contract award;
- Monitoring the contract to assure quality and timeliness of work; and
- Updating the risk analysis data and coordinating selection of areas for performance reviews.

#### 4. Prioritizing Reviews

Approaching performance audit projects will likely be a new experience for those at Metro who will have the audit oversight responsibility. Most organizations can identify an abundance of possible performance audit subjects. The difficulty is not in identifying potential areas, but in sorting them out and deciding which ones are likely to yield the most useful results.

A well-rounded performance audit function will identify and weigh a variety of factors in establishing a balance of program, efficiency, and effectiveness reviews.

We recommend that Metro establish a risk analysis system to identify potential audit areas, based on the following criteria:

1. Suspected or potential fraud, waste, or abuse
2. Potential for cost savings
3. Potential for increased revenues
4. High risks of Metro liability
5. Size of program in terms of FTE and dollars
6. Number and size of outside contracts
7. Public interest in the operation
8. Financing from Federal or State grants
9. Financing from internally developed rates.

We suggest that the highest ranking areas be identified in a tentative audit plan for the next two-year period. This tentative audit schedule should be circulated to all Council members, the Executive Officer, and all department managers for their suggestions, comments, and concerns before the Internal Affairs Committee makes a final decision.

The risk analysis data should be updated and approved at least annually.

5. Administrative Guidelines

Guidelines are important so that all persons involved know the process and procedures that will be followed when conducting a performance audit. For example, who is to receive reports, when they are to be released, and who will deal with the media should the reports become public, are all important considerations.

One very important administrative matter is that all managers should be advised that they will have an opportunity to review and comment on draft reports before they are finalized.

The Audit Guide we developed as part of this review has the most important guidelines included.

6. Funding

This essential element is a product of top management commitment. Funds are always in short supply. However, the benefits resulting from a series of coordinated performance audit reviews, each building on the success of its predecessor, far exceed the results from sporadic, under-funded studies.

On an overall basis, successful performance auditing traditionally more than pays it's own way. A good program will have identifiable cost savings, increases in revenues, or other measurable benefits that exceed audit costs anywhere from a 4 to 1 to a 10 to 1 ratio.

The primary funding consideration for Metro is to establish an appropriate level to adequately establish the program with a long range view of increasing overall effectiveness.

The following information on other performance audit programs will be helpful to Metro in determining an appropriate funding level for this function:

- A. The Portland City Auditor has a staff of 10 professional auditors who work essentially all of their time on performance audits. Their 1988 budget is \$533,000, and they cover programs totaling about \$325 million annually.

Since this program started in 1984, they have prepared 36 audit reports identifying over \$8 million in potential savings and increased revenues. Each major review involves an average of 1500 hours, and requires about six months to complete.

The Chief Auditor is paid a salary of about \$52,000 plus extensive fringe benefits.

- B. The Multnomah County Auditor has a staff of 5 professional auditors who work 80 percent of their time on economy and efficiency, and program results audits. They also perform some work by contract.

The County's current budget is \$340,000 exclusive of fringe benefits which normally run at about 35 percent. They cover county programs with a total budget of about \$230 million.

The County identified savings of about \$750,000 in its last annual report on this subject which was issued in 1982.

In view of the size and diversity of Metro's programs, we recommend an initial minimum funding level of \$80,000 to \$100,000 annually. This would provide funds to make two major reviews a year, with some additional survey work, or time to respond to special requests.

#### INFORMATION SYSTEMS

Metro's financial accounting systems provide a significant amount of information, captured at sufficient detail to analyze costs. Deficiencies in the accounting system relative to timing and efficiency are being addressed in the Central Financial Management System currently under development. This fully automated system is scheduled for final implementation in mid-summer 1989.

We have not reviewed the planned system in depth and do not offer opinions on the computer system or implementation process. However, we have reviewed the proposed chart of accounts and the basic account number structure which is the primary building block of the system. Assuming the system is implemented on schedule and the detailed code structure is followed at the department level, the new system will provide sufficient information for performance audit analysis.

There will undoubtedly be a time period in 1989 where information systems overlap within certain departments. Currently there are instances where departments maintain their own fiscal information as backup to assure accuracy and timeliness. Although such activity appears redundant, (and may be eliminated after implementation of the Central Financial Management System) it will provide additional sources of information to assist in performance auditing cost analyses.

The organizational changes which have occurred in the past few years may make analysis complex. Comparability from period to period will be difficult to obtain. However, because substantial historical data exists, we do not believe a performance audit function will be impeded by a lack of consistent quantifiable information.

## IMPEDIMENTS TO SUCCESSFUL PERFORMANCE AUDITING PROGRAM

We reviewed what we consider the seven basic ingredients required for a successful performance auditing program at Metro with the Council members, the Executive Officer, and other key staff. Brief comments on each of these points follow (several items are covered in other parts of this report).

1. A realistic understanding of what can be achieved. Our discussions with the individual Councilors and other Metro representatives at all levels revealed a refreshing understanding of the potential benefits to be gained through a performance audit activity.
2. Top management commitment. The discussions indicated that management will fully support a performance auditing program. Both the Metro Council and the Executive Officer appear fully committed to a performance auditing function.
3. Appropriate process and structure to oversee the performance audit function and implement recommendations. Such a structure and process can be readily implemented at Metro. This requisite is addressed in another part of this report.
4. Qualified professional audit staff. We have addressed this need in another portion of our report. It was interesting to note that almost all the Metro officials believed this function should not be performed by in-house staff.
5. Confidence of internal management. We were greatly encouraged by the support and confidence exhibited by all levels of management. In such a positive environment, there are strong reasons for optimism.
6. Appropriate funding to assure a high-level continuing review function. This area is covered in detail on page 9 of this report. The Council has the authority to commit the necessary funds to start this program.
7. Adequate accounting and information systems. This area is also discussed separately on page 10 of this report. We believe the accounting and information systems provide the basic data needed to begin analysis of specific programs or functions.

### Conclusion

Based on our recommendations relative to staff, organization structure, and funding, we do not believe there are any major impediments to prevent Metro from implementing a successful performance auditing program. It is very important to start the program in the proper direction and build the confidence of all managers into accepting it as a basic part of Metro's management process.

## SPECIFIC PERFORMANCE AUDITS

We recommend that Metro adopt a performance audit program to include reviews of organizational program areas as well as functional areas so that each activity receives some independent assessment over a period of time.

Typically organizational reviews start with a general survey of the programs carried out by that organization, to identify target areas for detailed examination. Then, specific detailed reviews are scheduled in accordance with overall priorities.

Functional areas usually are performed through a detailed examination since it has already been identified as a target area.

Our overview of Metro activities, and our risk assessment analysis based on criteria discussed on page seven of this report, identified several areas which we believe are appropriate for performance reviews at Metro. A brief description of these areas and the reasons for our selection are included as Appendix I.

We suggest that Metro provide resource capability to perform at least two major reviews a year, with additional time available to perform survey work and to respond to any specific concerns or problems that may arise during the year.

For the first year, we recommend that performance audit be performed in at least two of the following areas:

1. Contracting
2. General Fund/Cost allocation
3. Metro Policies and Procedures
4. Solid Waste Revenues

These areas and other potential performance audits are described in more detail in Appendix I.

## APPENDIX I - POTENTIAL PERFORMANCE AUDIT AREAS

Our survey of Metro activities to determine potential areas for performance audits was based generally on the risk analysis system criteria shown on page 7 of this report. Where appropriate, we have mentioned the criteria in our area description.

The areas we have identified and the reasons for these choices are summarized as below. The first 7 issues are priority items which should be addressed first.

1. Contracting. The 88-89 approved budget shows Metro has 431 contracts that total about \$60 million.

The dollar amount of this program and the general nature of contracting indicate this is a high risk area for potential fraud, waste, or abuse. It also carries a high risk for Metro liability and, because of the number of people involved in the process, it represents a strong candidate for potential cost savings.

The specific area to be considered for a performance audit include:

- Organization, e.g., centralization vs. decentralization
- Policies and procedures (including issues between Council and Executive)
- Administration
- Audit
- Privatization issues

2. General Fund/Cost Allocation. The general fund totals about \$4 million which is used to finance council operations and Metro's central office functions. Funds are allocated from the zoo, solid waste, convention center, and other internal sources.

There are internal concerns about the fairness of the allocation process, and questions with respect to value received for funds contributed. The allocation of overhead may adversely impact discussions about possible merging of additional functions.

A performance audit could analyze the current allocation process, evaluate other funding options and provide an independent report which should alleviate concerns.

3. Metro Policies and Procedures

We noted differences in perceived policy and operating authority between the Council and the Executive Officer. There appears to be some differences as to the policy prerogative of the council and what executing authorities should be left to the Executive.

Some policies have evolved over time and are not easily found in authoritative form, leading to varying interpretation and

potential miscommunication. This means that a large and rapidly growing Metro organization is not supported by a highly structured, easily communicated set of ground rules. Considering the number of people impact by the administration of policy, it is not surprising to find some differences in this area.

The absence of a highly visible policy structure at Metro could lead to conflicts and redundancies which are inefficient, at best, and likely counterproductive. Addressing this issue would impact the total organization, from the council to the lowest departmental level.

A performance audit could be made in this area to (1) review in depth the authority and responsibility of each body as intended in the underlying legislation, (2) identify policies and determine how they are implemented, (3) identify the existence, cause, and effect of any factors which cause breakdowns in communication between the two entities, and (4) make recommendations as necessary to resolve any difficulties.

4. Solid Waste Revenues. This program generates over \$30 million annually from disposal and user fees, transfer charges, and a variety of other sources.

The dollar size of this program and the fact that most of the revenues are generated from internally developed rates where there is a high level of public interest makes this a high candidate for a performance review. A review would include:

- Evaluation of basis of setting rates, e.g., to carry out program objectives, recover costs, etc.
- Procedures to set rates for different operations
- Collection of revenues
- Audit procedures.

5. Survey of Solid Waste Program. This function has 39 FTE with an annual operating budget of about \$15 million exclusive of transfer and contingencies, and unappropriated balances. A significant amount of the work is performed by contract -- solid waste has about 75 active contracts including a \$366 million contract recently awarded for the Gilliam County landfill site, and will soon award a substantial contract for transfer of waste to that site.

A high percentage of the officials and staff interviewed believed that "Solid Waste has some problems" but were not specific as to where and why.

The FTE and operating dollars, the number and size of outside contracts along with the public interest suggest a high potential for cost savings through a performance audit. Since the program is so large, an audit survey should be undertaken first to evaluate overall operations, and to pinpoint specific target areas for detailed examination where it appears efficiencies are possible.



6. Zoo Revenues. The 88-89 budget shows that the Zoo will take in about \$11.6 million in revenues through taxes and internal operations which includes admissions, concessions, and railroad fees. The rates charged for internal operations are evaluated and changed annually.

In view of the large amount of revenues, of which about half are generated from internally developed rates which impact zoo visitors, a performance review could be made to:

- Identify the basis for the "50-50" policy of taxes versus internal generated revenues;
- Evaluate basis for setting rates in each internal area, i.e., recovery of costs or other objectives;
- Evaluate collection procedures;
- Determine whether appropriate audits are performed of concession and other revenue contracts.

7. Planning Fund. This fund receives about \$3 million of revenues annually from a variety of sources including Federal and State grants, dues and assessments, and several other sources. These funds are used to finance the Transportation, and Planning and Development functions.

The heads of these two organizations are responsible for generating these funds, and for setting the rates to charge for services.

The variety of revenue sources including Federal and State grants, and the amount of internally generated rates suggest a performance audit to include such areas as:

- Evaluation of policy for funding these functions;
- Review of sources of revenues;
- Evaluation of internally generated rates;
- Analysis of procedures to assure Metro is receiving all appropriate funds;
- Overview of Directors financial responsibilities versus program responsibilities.

8. Public Relations. Public Affairs is responsible for conducting Metro's communications program to inform the public of Metro's activities and services. It has a budget of about \$1.1 million with 14 FTE. As a practical matter, their work primarily involves activities supporting the solid waste program.

Other Metro organizations, namely the Zoo and the Convention Center, have their own marketing and public relations functions which includes staff and contracts with private organizations for additional support.

A performance review of this service could be performed to determine whether this split of functions results in duplications or inefficiencies.

9. Survey of Zoo Operations. The Zoo's 157 FTE represents the largest staff function within Metro. The 88-89 operating budget totals about \$11.6 million. The Zoo has a substantial number of operating contracts that total over \$1 million annually, in addition to construction contracts that will total about \$3.7 million for 1988-89.

The size of this program in dollars and FTE, and the number of outside contracts, together with the high level of public interest, indicate that a survey could be undertaken to evaluate overall operations. Any areas identified as potential for cost savings or other efficiencies should be targeted for specific detailed examination reviews.

10. Data Processing. The Department of Finance and Administration provides the central support for Metro's data processing functions. It is in the process of installing a revised accounting system and making other changes to increase their capabilities. It appears that other departments have a certain amount of their own data processing capabilities.

Data processing in general is a costly operation which should be looked at periodically through a performance review to provide management with an independent assessment of that function. One important consideration is whether possible duplication and inefficiencies exist because of decentralization or other problems. The use of outside contractors versus in-house staff and the basis for those determinations should also be reviewed.

11. Planning. The Planning and Development Department has certain responsibilities for regional land development and solid waste management planning, as well as for providing assistance to local governments. It appears that other departments have their own planning staffs. For example, three planning positions were recently moved from Solid Waste to Planning and Development, but several planning positions still remain in Solid Waste.

A performance review could be made to determine Metro's total planning responsibilities, and to identify where the functions are being carried out. Possible inefficiencies may exist if there is significant decentralization.

12. Purchasing. Purchasing is another area that is subject to potential fraud and inefficiencies if tight control procedures do not exist. Our brief review indicated that this function is also very decentralized.

A survey could be made of this area to obtain more information about the policies and control procedures to determine whether a detailed examination would be appropriate.

13. Cash Collection Procedures. The Zoo and Solid Waste programs generate and collect a significant amount of cash for admissions, concession operations, garbage collections fees, etc.

It appears that each department determines it's own policies and procedures for collecting and safeguarding cash receipts. Metro's external financial auditors have indicated some potential problems in this area, in their last two management letters.

This area may be adequately addressed by management in view of the financial auditors report, but it is the type of area where an independent performance audit function could take a quick look to assure appropriate follow-up action is taken.

# DRAFT

## BEFORE THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING A	)	RESOLUTION NO. 92-1653
REQUEST FOR PROPOSAL DOCUMENT FOR	)	
PERFORMANCE AUDIT SERVICES	)	Introduced by the
	)	Finance Committee

WHEREAS, The Metro Council developed a Performance Auditing Plan in Fiscal Year 1988-89; and

WHEREAS, The Council has had a performance audit program in place for the three fiscal years 1989-90 through 1991-92, and received performance audits of the Finance and Administration Department, Metro's Solid Waste Function, and the Business Practices of the Metropolitan Exposition-Recreation Commission; and

WHEREAS, The Council in FY 1989-90 entered into a three-year contract for the performance audit program, which contract expired on June 30, 1992; and

WHEREAS, The Council wishes to continue the performance audit program for another three-year period; and

WHEREAS, Metro's 1992-93 Adopted Budget contains \$60,000 in the Council Department's budget for performance audit services; and

WHEREAS, Section 2.04.033(b) of the Metro Code requires Council approval of a Request for Proposals (RFP) for certain classes of contracts, including multi-year contracts designated as "A" contracts; and

WHEREAS, Section 2.04.033(b) further provides that at the time of Council approval of the RFP documents, the Council may waive the requirement of Council approval of the final contract; and

WHEREAS, The proposed performance audit contract is a multi-year "A" contract, and therefore requires Council approval of the RFP; and

WHEREAS, The proposal document has been filed with the Council Clerk; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District approves the Request for Proposals for Performance Audit Services attached as Exhibit A hereto and authorizes that it be released for response by vendors or proposers.

2. That the Council hereby waives the requirement of Council approval of the final contract for Performance Audit Services and authorizes the Council Administrator to execute the contract upon completion of the prescribed selection process described in Exhibit A, provided that the cost for the FY 1992-93 audit does not exceed the budgeted amount of \$60,000.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

METROPOLITAN SERVICE DISTRICT  
REQUEST FOR PROPOSALS  
FOR  
PERFORMANCE AUDIT SERVICES

I. INTRODUCTION

The Council of the Metropolitan Service District is requesting proposals to acquire performance audit services for a three year period, from approximately September 1, 1992 through June 30, 1995. Proposals will be due on \_\_\_\_\_, 1992 at 5:00 p.m. in the Metro Council office at 2000 S.W First Avenue, Portland, Oregon 97201-5398. Details concerning the project and proposal are contained in this document.

II. BACKGROUND OF THE PROJECT

The Metropolitan Service District has been in existence in its current form for over 12 years. The District is responsible for providing the "metropolitan aspect" of public services or functions in the Portland metropolitan area. The District's boundary covers the urban or urbanizing portions of Clackamas, Multnomah and Washington counties. Population figures from the 1990 census showed just over 1,050,000 people reside within the District's boundary. Currently the District is responsible for: the development and operation of the Zoo; the planning, development and operation of the solid waste disposal system; the operation of the Oregon Convention Center and management of regional arts and spectator facilities owned by the City of Portland; transportation planning and various local government assistance programs; and adoption and management of the metropolitan Urban Growth Boundary.

The District is governed by a 12-member Council with members being directly elected from Council districts of approximately equal population. In January, 1993, pursuant to state law, the Council will increase to 13 members. The Council is responsible for 1) development and approval of policy direction for the District (enactment of ordinances, resolutions, and adoption of the fiscal year budget and approval of periodic budget adjustments); and 2) policy oversight of the Administration to assure that adopted policies and programs of the District are implemented efficiently and effectively.

The District is administered by an Executive Officer directly elected from the District at large. The Executive Officer is responsible for administering the affairs of the District and in doing so carrying out the policies and programs adopted by the Council. The Executive Officer is responsible for submitting a proposed budget to the Council and may present plans and proposed policies for Council

consideration and approval.

The Council has had a performance audit program in effect since January 1990, for the three fiscal years 1989-90 through 1991-92. This program was established pursuant to a Performance Audit Plan prepared by a consulting firm in 1989, which the Council adopted by approval of Resolution No. 89-1030. (A copy of the Performance Audit Plan is included as Attachment A.)

The Council included \$60,000 in its 1992-93 Adopted Budget to conduct a performance audit. It is anticipated that one audit will be performed each year of the three-year engagement, subject to the annual appropriation of funds for the audit program.

### III. SCOPE OF WORK

Complete one performance audit in each of the three fiscal years of the contract, FY 1992-93 through 1994-95. The subject of each year's audit will be determined early in the fiscal year, following consultation among Councilors, Council Department staff, and the performance auditor. Each performance audit will be divided into three phases, as follows:

#### Phase One

Conduct a survey of functions relevant to the subject of the audit, to identify issues for in-depth analysis in Phase Two, make recommendations for immediate improvements that may have been identified in the survey phase, and develop a work plan to audit in greater depth all or any combination of the functions surveyed in Phase One.

#### Phase Two

1. Conduct the performance audit(s) on the functions recommended in Phase One, making sure to:
  - a. Ascertain the policy basis for providing these functions
  - b. Ascertain how effectively these functions are being provided.
  - c. Ascertain how efficiently these functions are being provided.
2. Make recommendations for improving the delivery of the functions studied. Those recommendations should include, as applicable:

- a. Changes to existing policies and procedures or introduction of new policies and procedures to improve the efficiency and effectiveness of such functions;
- b. Development of standard performance measures or indicators to assist in future evaluation of performance;
- c. Any organizational changes to improve the efficiency and effectiveness of such functions;
- d. Funding levels for providing these functions in an efficient and cost effective manner; and
- e. Any other factors which should be taken into consideration.

### Phase Three

Six months following presentation of the completed audit to the Council or appropriate standing committee of the Council, perform a review to determine how the recommendations are being implemented.

## IV. PROPOSAL INSTRUCTIONS

The following section defines the format and content required for the consultants' proposals and the basis upon which the proposals will be evaluated.

### A. Proposal Submission

Seven (7) copies of the consultant's proposal must be provided. Proposals shall be directed to the attention of:

Mr. Donald E. Carlson  
Council Administrator  
Metropolitan Service District  
2000 SW First Avenue  
Portland, Oregon 97201-5398

### B. Format and Content

The format required for the proposal is:

Letter of Transmittal  
Part I Proposed Scope of Work  
Part II Project Staffing  
Part III Qualifications and Approach for Future Projects  
Part IV Budget/Cost Proposal



Each part should be clearly identified for easy reference.

1. Letter of Transmittal

The Letter of Transmittal should contain a brief summary of key points of the proposal and must include the following:

- Identification of firm(s) involved and designation of prime consultant, if more than one firm is involved.
- A statement that the proposal will remain in effect for ninety (90) days after receipt by Metro.

2. Part I - Scope of Work

The consultant should describe the proposed approach and indicate tasks/activities required to accomplish the Scope of Work. The work plan should be clearly separated into the components outlined in the Scope of Work (see Section III, above).

3. Part II - Project Staffing

Each staff member to be assigned to the project in FY 1992-93 must be identified. Relevant experience must be presented for each staff member with particular emphasis on the following:

- Role and responsibility proposed for this project and an estimate of time commitment for the individual.
- Experience in management and accomplishment of performance audits, particularly in a public sector setting.

Proposals must indicate a single person as project manager to work with Council staff for the FY 1992-93 Project. A list of references should be provided for the Project Manager.

Changes in the staff assigned to the project in future years may be permitted upon prior approval of the Council Administrator.

4. Part III - Qualifications, and Approach for Future Projects

The consultant should describe the approach for undertaking future Performance Audit Projects during the duration of the engagement. The consultant should describe the principal person responsible for managing the contract for the duration of the engagement (three years). The Consultant should list all relevant prior performance audit projects including references. The consultant should address the depth and experience of the company to undertake performance audits on a variety of functions for which the District is responsible. (See potential list of Performance Audit Projects in Attachment A - "Report on Performance Auditing Plan for the Metropolitan Service District Council.")

5. Part IV - Budget/Cost Proposals

The consultant should summarize all expected deliverables and services and provide a proposed cost to accomplish the FY 1992-93 Scope of Work. The cost proposal detail should indicate personnel (hourly rate of pay for each person scheduled), travel/per diem, clerical and miscellaneous costs.

C. Evaluation

All proposals will be evaluated based on the following criteria:

	<u>Percent</u>
- Effectiveness of work plan in meeting RFP Scope of Work	40
- Experience of proposed staff for the FY 1992-93 Project and future projects	40
- References	20

D. RFP and Pre-proposal Conference as Basis for Proposals

This RFP and information presented at a pre-proposal conference will be the most definitive statements Metro will make concerning information upon which proposals are to be based. The pre-proposal conference will be held on (date and time to be determined). ATTENDANCE AT THE PRE-PROPOSAL CONFERENCE IS MANDATORY FOR CONSIDERATION OF ANY PROPOSAL. Following the pre-proposal conference, Metro will not answer any questions concerning the RFP.

**E. General Proposal/Contract Conditions**

**1. Limitations of Award**

This RFP does not commit Metro to the award of a contract, or to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to accept or reject any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.

**2. Contract Type**

Metro intends to award a Personal Services Agreement with the selected firm or person for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.

**3. Billing Procedures**

Proposers are informed that the billing procedures of the selected firm or person are subject to the review and prior approval of Metro before reimbursement for services can occur. A monthly billing, accompanied by a progress report, will be prepared for review and approval.

**4. Validity Period and Authority**

The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company or firm contracted during the period in which Metro is evaluating the proposal.

**5. Completion Date**

It is anticipated that Council staff and Councilors selected by the Presiding Officer shall determine the subject area(s) for the initial performance audit no later than October 1, 1992, in consultation with the consultant. The initial performance audit shall be completed including printing report(s) for submission to the Council by April 15, 1993. Following successful completion of the initial performance audit, the

Council staff and Councilors selected by the Presiding Officer shall develop work plans and cost proposals in consultation with the consultant for the subsequent performance audit(s).

Meeting Date: July 23, 1992  
Agenda Item No. 5.1

ORDINANCE NO. 92-467

## STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 92-467, FOR THE PURPOSE OF APPROVING THE REVISION OF METRO CODE SECTION 2.02.275 - ZOO VISITOR SERVICES EMPLOYEES.

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Date: July 1, 1992

Presented by: Paula Paris  
Teresa Metke

**Background:** As a result of discussions with Teresa Metke, Zoo Visitor Services Manager, it became apparent that the current Section 2.02.275 of the Code does not adequately or accurately reflect the needs or methods of operation of the department.

### **Highlights of Revisions:**

1) The current purpose of this section is to establish personnel rules for the Visitor Services Worker employees. The revisions establish a broader definition of purpose which gives greater flexibility to the Council, Executive Officer, Zoo Director, and Visitor Services Manager to meet the operational needs of the department particularly in the area of seasonal employment conditions that may vary greatly depending on the seasons and public responsiveness.

2) Visitor Services employees are non-represented employees who, under current Code language, have a higher standard of just cause than do our existing union-represented employees. The revisions eliminate a just cause standard and establish a demerit system of discipline currently known to employees and in use through department work rules.

3) There is no probationary period and just cause begins on the first day of employment. The revisions establish a 30 work-day probationary period without just cause. The just cause standard is replaced by standard at-will employment which best serves this type of seasonal employment arrangement.

4) The Visitor Services Manager currently has to re-open recruitments numerous times during the year for these seasonal positions when an applicant pool is depleted. The revisions establish an on-going open recruitment for two seasons per year which will enable prompter filling of positions and faster response time to Visitor Services operational needs.

**Fiscal Impact:** None

We believe these revisions to the Code are necessary for the consistent and balanced operation of the Zoo Visitor Services Department. It is, therefore, recommended by the Executive Officer that Ordinance No. 92-467 be adopted.

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING THE	)	ORDINANCE NO. 92-467
REVISION OF METRO CODE SECTION	)	
2.02.275, ZOO VISITOR SERVICES	)	Introduced by Rena Cusma,
EMPLOYEES	)	Executive Officer

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 2.02.275 - Zoo Visitor Services Employees, is amended to read as follows:

2.02.275 Zoo Visitor Services Employees:

(a) Purpose: The purpose of this section is to establish personnel ~~[rules]~~ policies pertaining to the conditions of employment of Zoo Visitor Services Worker employees; to promote efficiency, economy, and public responsiveness in the operation of the Zoo Visitor Services Department; and to provide that the employees covered by this section shall be subject to proper conduct, the satisfactory performance of work, and the availability of funds.

(b) These policies do not constitute a contract of employment. Moreover, in order to meet future challenges and to continue to improve the working environment for all Zoo Visitor Service Employees, the Council retains the flexibility to change, substitute, interpret and discontinue the policies and benefits described herein, at any time, with or without notice to employees. No contract of employment can be created, nor can an employee's status be modified, by any oral or written agreement, or course of conduct, except by a written agreement signed by the Department Manager, Zoo Director or his/her designee, the Personnel Manager, and the Executive Officer. Whenever a question arises as to the meaning or interpretation of any policy or practices of the Zoo Visitor Services Department, the interpretation given by the Executive Officer and/or his/her designee(s) shall be final and binding.

~~[(b)]~~ (c) Definitions:

(1) The Visitor Services Worker classification is divided into two definitions, and nothing contained in this section shall be construed as any guarantee of hours worked per day or per week:

(A) Seasonal Visitor Services Worker Employee: Employees who are employed on a ~~[year-round]~~ seasonal basis. They will be scheduled regularly during the peak seasons and scheduled as needed and as available during the remainder of the year. ~~[The period of employment is indefinite unless the employee is terminated according to section (i) of this section or the employee~~

①

~~resigns. Section 2.02.045 Probationary Period of the Metro Code does not apply.]~~

The probationary period for seasonal visitor services employees is the initial thirty (30) work days of employment, and an additional probationary period shall not be required at a subsequent reinstatement, if the reinstatement is within one year of termination in good standing. Visitor service employees serving their initial probationary period may be disciplined or terminated without cause, with or without prior notice. However, nothing in this paragraph shall be construed as implying or requiring that cause must exist for the discipline or termination of a seasonal status employee who has completed the initial probationary period.

- (B) Regular Visitor Services Worker Employee: Employees who are employed on a year-round basis in the Visitor Services Division of the Metro Washington Park Zoo and regularly scheduled to work [80] 20 or more hours each [month] week, as provided by the current adopted budget.

(2) Director means Director of the Metro Washington Park Zoo.

(3) Seasons are defined as April through the first week in September (Labor Day), and the second week in September through March.

[(e)] (d) Application of Personnel [Rules] Policies: 'All Visitor Services Worker Employees shall be subject to this section and to all other Zoo personnel policies and regulations not inconsistent with this section.

[(d)] (e) Recruitment and Appointment for Seasonal Visitor Services Worker Employees:

- (1) In-house recruitment to fill Seasonal Visitor Services vacancies is not required and is solely at the discretion of the Visitor Services Manager.
- (2) Recruitment to fill vacancies shall include appropriate forms of announcements to attract qualified applicants and to comply with Affirmative Action goals.
- (3) At the beginning of each [year] season ~~[there will be]~~ a general recruitment will be initiated. The recruitment will remain open until the beginning of the following season. A list of qualified applicants will be developed, by the Visitor Services Manager pursuant to these Visitor Services Worker rules, from which Visitor Services Workers will be appointed. ~~[The Executive Officer will pre-authorize this qualified list on an annual basis pursuant to these Visitor Services Worker Rules.]~~



Applicants will be appointed from this list on an as-needed basis only. ~~[The duration of this list will be one year, unless it is exhausted before that time, in which case other recruitments will be held.]~~ If the seasonal list is not exhausted, those not hired but remaining on the list must go through the next ~~[year's]~~ season's selection process to be considered for hiring. ~~[When an emergency exists and no one on the pre-authorized, qualified list is available to work that period, the Zoo may recommend an appointment from another source. Appointments made in an emergency situation will be treated the same as other appointments. These Visitor Services Worker Rules will apply to employees appointed during an emergency situation. Emergencies will be determined and documented by the Visitor Services Manager or his/her designee.]~~ The Visitor Services Manager will maintain the list and will determine who will be appointed.

- (4) Employees who leave in good standing may, within one year of termination, be reinstated without going through a recruitment process.

~~[(e)]~~ (f) Recruitment and Appointment for Regular Visitor Services Worker Employees:

- (1) In-house recruitments to fill Regular Visitor Services Worker vacancies are open only to current seasonal visitor services worker employees which will be the first means used. ~~[unless.]~~ If no one applies, then the position may be filled ~~[by]~~ with a current seasonal employee who shall be appointed by the Visitor Services Manager.
- (2) In-house recruitments to fill vacancies as described in #1 above, shall include posting of such vacancies for at least five (5) calendar days within ~~[in]~~ the Visitor Services Department ~~[agency].~~
- ~~[(3)]~~ ~~Recommendations from the list of employees who applied to be appointed to vacant positions will be made by the Director of the Zoo or his/her designee. The Executive Officer is the appointing authority for all positions.]~~

~~[(4)]~~ (3) Regular Visitor Services Worker employees will be eligible to apply in-house for all vacant Regular (non-Visitor Services Worker) positions within ~~[the agency-]~~ Metro.

~~[(f)]~~ (g) Status of Seasonal Visitor Services Worker Employee: Seasonal Visitor Services Worker employees will be eligible to compete: ~~[a) for in-house recruitments of Regular Visitor Services Worker positions if they were hired under the competitive process for the position they currently hold or had been reinstated to that position; and b)]~~ for in-house recruitments of a Regular, non-Visitor Services Worker position, if they have worked 40 hours per week for three consecutive months and were hired through a competitive process for or had been reinstated to the position they currently hold. ~~[If hired into a Regular position, time~~

~~employed in a previous full-time Seasonal Visitor Services Worker position will be counted toward the accumulation of Vacation time if there has been no break in service.]~~

~~[(g)]~~ (h) Benefits:

- (1) Benefits required by law such as Workers' Compensation and Social Security will be paid for all Visitor Services employees. Seasonal Visitor Services Worker employees ~~[and Regular Visitor Services Worker employees who do not work at least 80 hours per month]~~ will not receive any ~~[other]~~ health and welfare benefits.
- (2) Seasonal Visitor Services Worker employees will not be paid for holidays not worked. Designated holidays shall be considered as normal workdays.
- (3) Regular Visitor Services Worker employees appointed to one of the regular Visitor Services Worker positions will receive a full health and welfare benefit package when working a minimum of ~~[80]~~ 20 hours per ~~[month]~~ week.

~~[(h)]~~ (i) Performance Evaluation: Performance evaluations will be performed at least once during the initial thirty (30) work day probationary period. ~~[on the schedule specified in Table S of the Pay Plan. Employees are eligible for advancement to the next step upon completion of 12 months and 480 hours.]~~

~~[(i)]~~ (j) Disciplinary Action:

~~[(1) Disciplinary actions or measures shall include only the following: oral or written reprimand, suspension, demotion and dismissal from employment. Disciplinary action shall be for just cause. Oral reprimands will not be used as the basis for subsequent disciplinary action unless the employee is so notified at the time of reprimand. If Metro has reason to reprimand an employee, it shall be done in a manner that is least likely to embarrass the employee before other employees or the public.]~~

~~[(2) It shall be the duty of all employees to comply with and to assist in carrying into effect the provisions of this chapter. No employee shall be disciplined except for violation of established rules and regulations, and such discipline shall be in accordance with procedures established by this chapter.]~~

(1) Nothing contained in this Section precludes the Visitor Services Manager or Zoo Director from establishing work rules not inconsistent with this Section for efficient operations and administration of the job site, or precludes the Manager from having private discussions with employees. These discussions may be in the form of assignment, instruction, or any other job-related communication.

(2) Disciplinary actions, up to and including dismissal, will carry a point value,

as in a demerit system. A point range will be established, at the sole discretion of the Visitor Services Manager, for each specific violation, in which the degree, severity, and frequency of the offense and/or circumstances surrounding the incident will determine the points assigned. Copies of disciplinary actions shall be placed in the employee's personnel file. Any disciplinary action may be grieved under the grievance procedure established in chapter 2.02 of the Code.

(3) Notwithstanding the previous section, the Visitor Services Manager reserves the right to terminate or discipline an employee whenever:

- (A) The employee's performance is unsatisfactory, or
- (B) The Visitor Services Manager feels discipline or termination is appropriate for other reasons, or
- (C) Whenever it is determined that such action is in the best interests of the Department.

[(3)] (4) [Any of the following may constitute grounds for disciplinary actions:] The following are some examples (but not all) of the types of conduct which will result in disciplinary action. It may not be necessary in every circumstance that the discipline be taken progressively. The listing of these examples is for illustrative purposes, and in no way limits the Visitor Services Manager's authority and discretion to discipline or terminate employees pursuant to paragraph 3 of this section:

- (A) Abandonment of position;
- (B) Absence from duty without leave;
- (C) Abuse of leave privileges;
- (D) Below standard work performance;
- (E) Discourteous treatment of the public or other employees;
- (F) Intoxication during working hours;
- (G) Fraud in securing appointment or promotion;
- (H) Insubordination;
- (I) Misuse of Metro property, funds or records;
- (J) Neglect of duty;
- (K) Willful deceit;
- (L) Any conviction by a court of law which ~~[would be incompatible with the work performed for Metro by the affected employee]~~ demonstrates an impaired ability to properly perform work for the Department;
- (M) Violation of Metro Code, ordinances, [and] regulations, established work rules and directives ~~[in particular;]~~ including those directives defined in the Visitor Services Worker Handbook.

~~[(4) Any of the following types of disciplinary action may be utilized. It is appropriate, though not necessary in every circumstance, that the following steps be taken progressively. Reasons for each disciplinary action should be documented before action is taken unless extenuating circumstances exist.]~~

~~(A) — (Oral Reprimand: Oral Reprimand is notice by a supervisor to an employee that his/her behavior or performance must be improved. It defines areas where improvement is needed, sets goals, and informs the employee that failure to improve may result in more serious action.~~

~~The supervisor shall record the date and content of the oral reprimand, and such record shall be placed in the employee's personnel file. This record shall be removed when successful corrective action is completed.~~

~~(B) — Written Reprimand: Written Reprimand is formal notice by a supervisor to an employee that his/her performance or behavior must be improved. A written reprimand must be approved by the Director or his/her designee. It contains the same elements as the oral reprimand. When appropriate, it should be used in conjunction with a plan for individual improvement. A copy of the written reprimand and plan for individual improvement is placed in the employee's personnel record. This copy shall be removed when successful corrective action is completed.~~

~~(C) — Suspension: Suspension without pay should be used when other disciplinary measures have failed or when it is necessary that the employee not remain on duty. Suspensions shall not require advance notice and may be effected immediately. Approval of the Director or his/her designee is required. Within two (2) working days a notice shall be sent to the suspended employee at his or her last known address or personally delivered to that employee describing the circumstances of the suspension, the reason for the suspension, the length of the suspension, the date or the circumstances under which the employee may return to work. A duplicate copy of the written notice shall be placed in the employee's personnel file by the Personnel Officer. Dismissal may be the next step of disciplinary action.~~

~~(5) — Dismissal. Should the actions of an employee require a supervisor to discharge the employee, the supervisor shall suspend the employee without pay for five days. This must be authorized by the Director or his/her designee. The notice shall be in writing and shall include the reasons the termination is being recommended, the effective date, and notice that the employee may respond in writing within two days to the Visitor Services Manager.~~

~~The Visitor Services Manager will review the proposed termination with the Personnel Officer, including a review of any written response by the employee. If the Visitor Services Manager still believes the disciplinary action is appropriate he/she shall prepare a written notice of termination to be reviewed by the~~

~~Director or his/her designee and the Personnel Officer. The Executive Officer must approve the termination except in an emergency. The written notice shall be sent to the employee by certified mail by the fifth day from the date the suspension notice was mailed or the employee was personally served with the suspension. The notice will become a permanent part of the employee's personnel file. Payroll shall be notified to prepare the final check.]~~

~~[(f)] (k)~~ Promotion: Eligibility for assignment to Visitor Services Worker 2 and 3 classifications shall be established by the ~~[supervisor]~~ Visitor Services Manager and shall be subject to in-house recruitment established in (f) (1-3) above. ~~[upon determination that an employee has acquired or possesses the knowledge, skill and ability required for the position.]~~

~~[(f)] (l)~~ Wage Rates:

- (1) Visitor Services Worker employees will be paid at a rate in the Pay Plan recommended by the Visitor Services Manager and the Personnel Manager and approved by the Executive Officer and the Council.
- (2) The step range for each employee shall be established on the basis of individual qualifications and work assignment. It will be the general practice to appoint new Visitor Services Worker employees at the beginning step of the Visitor Services Worker 1 salary range. Exceptions approved by the Executive Officer may be made to allow hiring above the beginning step. Total hours of previous work experience with the Zoo and the quality of that work will be considered in determining the step for previous employees reemployed at the Zoo in subsequent seasons.
- (3) Eligibility for a wage increase shall be ~~[based on completion of 480 hours of satisfactory service after a 12-month period and upon recommendation of the Director or his/her designee, with a performance evaluation submitted to the Personnel Division]~~ at the discretion of the Visitor Services Manager and after completion of the initial probationary period.
- (4) Section 2.02.160 of the Metro Code (Salary Administration Guidelines) shall not apply to any Visitor Services Worker employees.

~~[(f)] (m)~~ Reporting and Hours of Work:

- (1) Because the number of Seasonal Visitor Services Worker employees needed at a given time depends upon weather conditions, such employees may be relieved from duty prior to the end of a scheduled workday or may be directed to not report for duty on a scheduled workday. The Director or his/her designee shall establish appropriate procedures for regulating reporting during inclement weather.
- (2) Work schedules will be posted, and will be subject to subsection (1)

above. No employee will be called to work for less than three (3) hours in one day.

~~[(m)]~~ (n) Rest and Meal Period:

- (1) A rest period of 10 minutes with pay will be provided during each work period of four hours.
- (2) A non-paid lunch period of one-half hour (30 minutes) shall be provided. Whenever possible, such meal period shall be scheduled in the middle of the shift.

(Ordinance No. 81-123, Sec. 1 and 2; amended by Ordinance No. 87-221, Sec. 1 and 2; and Ordinance No. 89-269, Sec. 1; amended by Ordinance No. 89-269)

Meeting Date: July 23, 1992  
Agenda Item No. 5.2

ORDINANCE NO. 92-468

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO.92-468 FOR THE PURPOSE OF APPROVING AN INCREASE IN THE TRANSFER RATE FOR THE FOREST GROVE TRANSFER STATION

July 15, 1992

Presented by: Roosevelt Carter  
Phil North

#### FACTUAL BACKGROUND AND ANALYSIS

Ambrose Calcagno, dba A.C. Trucking, filed a request for an increase in the transfer fee rate cap for the Forest Grove Transfer Station (FGTS). The present cap is \$22.75 per ton. The requested cap is \$25.50. The present cap was approved by a franchise amendment adopted by the Council on July 25 1991.

The Rate Review Committee met on July 6, 1992 to consider the rate request under the provisions of Metro Code Section 5.01.180. The principal reasons for the rate increase request are:

1. Increased costs to the franchise holder will add between five and six percent to overall operating and administrative expenses, with insurance rates increasing by more than twelve percent and other costs about five percent;
2. Average payloads will decrease more than fourteen percent in response to recent notification from the public Utility Commission that the spread-axle trailers of the franchise holder exceed the length allowed on State Highway 47;
3. Access to the Riverbend Landfill will decline from fifteen hours per day to eleven hours per day as a result of changes instituted by the landfill's new owners, Sanifill Corporation:

(For complete background, see Attachment No. 1)

The components of the applicant's total tip fee at the facility are expected to be as follows:

FGTS - Transfer and transportation	\$25.50
Riverbend Landfill*	20.82
Yamhill County Surcharge	4.80
Metro User Fee	19.00
DEQ fees	1.25
City of Forest Grove Community Enhancement Fee	.50
Metro Excise Tax	<u>3.07</u>
<b>TOTAL</b>	<b>\$74.94</b>



This total is contrasted with the tip fees at Metro Central Station, and Metro South Station, which were raised to \$75.00 per ton as of July 1, 1992. The applicant has stated that the requested rate adjustment will yield an 8.25 percent pre-tax return on revenue.

Presentations to the rate review committee were made by Mr. Charles Marshall on behalf of Mr. Ambrose Calcagno, owner of the Forest Grove Transfer Station. Following the Rate Review Committee consideration of the applicant's rate request, the committee chair, Ruth McFarland, requested that Solid Waste staff and Council staff consult on preparation of a staff report.

In rate revision applications, the Metro Code provides that a public hearing shall be held before final approval of such rate by the Council. At the hearing, the applicant will be available to address such other issues and concerns that the Council may have as to the requested rate amendment.

In order for this Ordinance to take effect immediately upon passage, an emergency clause has been added.

#### **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends adoption of Ordinance No. 92-465

**CHARLES MARSHALL**  
222 S.W. Columbia, Suite 1800  
Portland, Oregon 97201

-----  
(503) 226-1191  
FAX (503) 226-0079

**RECEIVED**

June 15, 1992

JUN 16 1992

Phil North  
Metropolitan Service District  
2000 S.W. First Avenue  
Portland, Oregon 97201

FILE CODE:  
METRO SOLID WASTE DEPT.

**Re AC TRUCKING: TRANSFER AND TRANSPORTATION FEES**

Dear Mr. North:

Ambrose Calcagno, Jr. respectfully requests that the Metropolitan Service District authorize a \$2.75 per ton increase (from \$22.75 to \$25.50) in the transfer and transportation component of fees charged to commercial haulers by the Forest Grove Transfer Station, which facility is owned and operated by Mr. Calcagno dba AC Trucking.

This increase is required to cover increases in operating expenses brought about by three factors, two of which were not anticipated on May 6, 1992 when we submitted our earlier request:

- First (previously anticipated), increased price levels will add between five and six percent to overall operating and administrative expenses with insurance rates increasing more than 12 percent and other costs about five percent (see attached Schedules 5B and 5C);
- Second (not anticipated), average payloads will decrease more than 14 percent in response to recent notification from the Public Utility Commission (PUC) that our spread-axle trailers exceed the length allowed on state highway 47 (see attached Schedule 6); and
- Third (not anticipated), access to the Riverbend Landfill will decline from 15 hours per day to 11 hours as a result of changes instituted by the landfill's new owners, Sanifill Corporation.

These reductions in payload and access hours require that ACT haul more tonnage in less elapsed time with smaller trailers. Reduced payloads will cause the number of trailer loads, mileage, transportation hours and, along with them, variable operating expenses to increase 18 percent (see Schedules 5B and 6). Reduced accessibility exacerbates the situation by giving ACT less time to deliver more loads, which can be accomplished only by adding two tractors and a trailer.

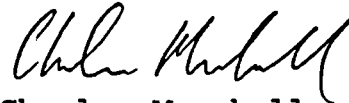
The suggested rate passes both cost and market tests. It will yield a 8.25 percent pre-tax return on revenue and will leave total disposal costs at Forest Grove (\$74.95) slightly less than those available at other transfer stations in the Metropolitan Service District (\$75.00).

These market conditions are likely to worsen in late 1991 or early 1992 when Riverbend increases its dump fees. When that happens, competitive pressure will compel ACT to make a countervailing reduction in its fees. (Because our projections do not reflect this probable but indefinite change in rate structure, they overstate profits by an undetermined amount.) These real-market forces have effectively controlled ACT's pricing since it opened in 1986. We ask that METRO approve our request as quickly as possible so that the company can take advantage of the brief opportunity now available.

To assist METRO in its analysis, we have enclosed copies of our analysis of actual and pro forma financial results. Financial Statements accompanied our May 6 request.

We look forward to meeting with you and the Solid Waste Advisory Committee as quickly as possible. Please advise me of the approval process and calendar. Thanks.

Sincerely,



Charles Marshall

cc Ambrose Calcagno, Jr.

# AC TRUCKING RATE APPLICATION, JULY 1, 1992

## SCHEDULE 1

### BOOK VALUE OF CAPITAL ASSETS EMPLOYED 1990, 1991, & 1992 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA
1 Beginning	\$914,567	\$1,333,047	\$1,151,310
2 + Additions	\$564,847	\$7,675	\$238,000
3 - Disposals		\$29,884	\$0
4 - Depreciation	\$146,367	\$159,528	\$167,711
5			
6 = Ending	\$1,333,047	\$1,151,310	\$1,221,599
7	=====	=====	=====
8 AVG ASSETS EMPLOYED	\$1,123,807	\$1,242,179	\$1,186,455
	=====	=====	=====

AC TRUCKING RATE APPLICATION, JULY 1, 1992

SCHEDULE 2

COMPARATIVE INCOME STATEMENTS

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA
	-----	-----	-----
1 REVENUE	\$3,412,805	\$3,946,344	\$5,050,363
2			
3 COST OF SERVICES	\$2,239,128	\$2,612,160	\$3,291,113
4	-----	-----	-----
5 GROSS MARGIN	\$1,173,677	\$1,334,184	\$1,759,249
6			
7 OPERATING & ADMIN EXP	\$1,036,025	\$1,155,748	\$1,122,334
8	-----	-----	-----
9 INCOME FROM OPERATIONS	\$137,652	\$178,436	\$636,916
10			
11 Misc income	\$2,930	\$53,123	\$10,000
12 Interest expense	\$190,642	\$200,261	\$230,261
13	-----	-----	-----
14 INCOME (LOSS) BEFORE TX	(\$50,060)	\$31,298	\$416,655
	=====	=====	=====

AC TRUCKING RATE APPLICATION, JULY 1, 1992

SCHEDULE 3

FINANCIAL RATIOS

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA
	-----	-----	-----
1 OP RETURN ON ASSETS	12.25%	14.36%	53.68%
2 OP RETURN ON REVENUE	4.03%	4.52%	12.61%
3 PRE-TX RETURN ON ASSETS	-4.45%	2.52%	35.12%
4 PRE-TX RETURN ON REV	-1.47%	0.79%	8.25%

# AC TRUCKING RATE APPLICATION, JULY 1, 1992

## SCHEDULE 4A

### DISPOSAL RATES

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA	06/92	
1 Transfer & transport	\$18.09	\$19.57	\$25.50	22.75	
2 Dump fees	27.66	26.34	20.82	20.82	
3 Yamhill County fees			4.80	4.80	
4 DEQ fees			1.25	0.85	
5 Excise taxes	0.00	2.69	3.07	2.54	3.07
6 MSD fees	7.04	9.67	19.00	13.00	
7 Franchise fees	0.46	0.50	0.50	0.50	
8					
9 DISPOSAL RATE PER TON	\$53.25	\$58.77	\$74.94	65.26	

# AC TRUCKING RATE APPLICATION, JULY 1, 1992

## SCHEDULE 4B

### COST OF SERVICES (DISPOSAL FEES)

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA
	-----	-----	-----
1 Dump fees	\$1,794,718	\$1,795,805	\$1,436,542
2 Yamhill County fees			331,191
3 DEQ fees			86,248
4 Excise taxes		183,335	211,824
5 MSD fees	414,721	598,892	1,190,809
6 Franchise fees	29,689	34,128	34,499
7	-----	-----	-----
8 COST OF SERVICES	\$2,239,128	\$2,612,160	\$3,291,113
	=====	=====	=====



AC TRUCKING RATE APPLICATION, JULY 1, 1992

SCHEDULE 5A

OPERATING AND ADMINISTRATIVE EXPENSES  
1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA
	-----	-----	-----
1 Operating expenses	\$428,474	\$382,135	\$453,851
2 Admin expenses	\$607,551	\$773,613	\$668,483
3	-----	-----	-----
4 EXPENSES	\$1,036,025	\$1,155,748	\$1,122,334
	=====	=====	=====

# AC TRUCKING RATE APPLICATION, JULY 1, 1992

## SCHEDULE 5B

### OPERATING EXPENSES

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

		1990	1991	07/01/92- 06/30/93 PRO FORMA	-----COST VARIANCES-----			
		ACTUAL	ACTUAL		INFLA- TION	VOL	EFF	TOTAL
		-----	-----	-----	-----	-----	-----	-----
1	Salaries	\$183,222	\$161,895	\$186,191	5.0%	0.7%	8.8%	15.0%
2	Deferred compensation	\$5,624	\$2,510	\$2,887	5.0%	0.7%	8.8%	15.0%
3	Health & welfare	\$50,760	\$45,880	\$56,434	12.3%	0.7%	8.8%	23.0%
4	Payroll taxes	\$27,028	\$22,540	\$25,923	5.0%	0.7%	8.8%	15.0%
5	Outside repairs	\$3,422	\$876	\$1,086	5.0%	1.2%	16.7%	24.0%
6	Inhouse repairs	\$20,339	\$18,269	\$22,648	5.0%	1.2%	16.7%	24.0%
7	PUC tax	\$27,720	\$32,502	\$40,293	5.0%	1.2%	16.7%	24.0%
8	Scale expenses	\$2,632	\$4,180	\$4,389	5.0%	0.0%	0.0%	5.0%
9	Fuel	\$41,906	\$40,156	\$49,781	5.0%	1.2%	16.7%	24.0%
10	Oil, grease, tires	\$19,606	\$12,695	\$15,738	5.0%	1.2%	16.7%	24.0%
11	Vehicle cleaning		\$4,301	\$5,332	5.0%	1.2%	16.7%	24.0%
12	Oth equip parts & rep	\$5,783	\$9,403	\$11,657	5.0%	1.2%	16.7%	24.0%
13	Penalties	\$1,939	\$4,737	\$5,872	5.0%	1.2%	16.7%	24.0%
14	Other equip leases	\$19,052	\$6,698	\$7,033	5.0%	0.0%	0.0%	5.0%
15	Shop supplies	\$12,768	\$12,194	\$15,117	5.0%	1.2%	16.7%	24.0%
16	Recycling	\$87	\$494	\$525	5.0%	1.2%	0.0%	6.3%
17	Building repairs	\$6,586	\$2,805	\$2,945	5.0%	0.0%	0.0%	5.0%
18		-----	-----	-----	-----	-----	-----	-----
19	OPERATING EXPENSES	\$428,474	\$382,135	\$453,851	5.4%	0.9%	10.9%	18.8%
		=====	=====	=====	=====	=====	=====	=====

AC TRUCKING RATE APPLICATION, JULY 1, 1992

SCHEDULE 5C

ADMINISTRATIVE EXPENSES

1990, 1991, & JULY 92 - JUNE 93 (PRO FORMA)

	1990 ACTUAL	1991 ACTUAL	07/01/92- 06/30/93 PRO FORMA	COST INC.
1 Salaries	\$179,597	\$160,987	\$169,036	5.0%
2 Health & welfare	\$47,948	\$38,085	\$42,769	12.3%
3 Payroll taxes	\$26,493	\$22,413	\$23,534	5.0%
4 Data processing	\$12,033	\$5,955	\$6,253	5.0%
Computer rent	N/A	\$15,054	\$15,807	5.0%
5 Rent	\$51,700	\$50,729	\$53,265	5.0%
6 Office supplies	\$3,962	\$3,577	\$3,756	5.0%
7 Postage & permits	\$1,602	\$1,906	\$2,001	5.0%
8 Telephone	\$7,217	\$6,515	\$6,841	5.0%
9 Utilities	\$7,660	\$6,809	\$7,149	5.0%
10 Consulting	\$12,703	\$12,377	\$12,996	5.0%
11 Accounting	\$11,613	\$23,551	\$12,774	N/A
12 Legal	\$14,869	\$47,460	\$16,356	N/A
13 Engineering	\$13,657	\$148,916	\$15,023	N/A
14 Insurance	\$30,993	\$37,660	\$40,485	7.5%
15 Taxes & licenses	\$13,661	\$7,882	\$8,276	5.0%
16 Leases	\$3,366	\$0	\$0	5.0%
17 Bad debts	\$596	\$625	\$688	10.0%
18 Advertising	\$5,605	\$7,026	\$7,377	5.0%
19 Contributions	\$2,306	\$2,617	\$2,748	5.0%
20 Travel & ent	\$4,715	\$5,549	\$5,826	5.0%
21 Dues & subscriptions	\$3,061	\$2,831	\$2,973	5.0%
22 Miscellaneous	\$5,827	\$5,561	\$5,839	5.0%
23 Depreciation & amort	\$146,367	\$159,528	\$167,711	5.1%
24 Environmental inspection			\$15,000	N/A
25 Refinancing costs			\$24,000	N/A
26				
27 ADMINISTRATIVE EXPENSES	\$607,551	\$773,613	\$668,483	-13.6%
	=====	=====	=====	=====

## AC TRUCKING RATE APPLICATION, JULY 1, 1992

## SCHEDULE 6

OPERATING DATA AND  
EFFICIENCY AND VOLUME VARIANCES

	1990 ACTUAL	1991 ACTUAL	EFF. VARIANCE NO. %	1991 ADJUSTED	VOL. VARIANCE NO. %	07/01/92- 06/30/93 PRO FORMA
1 Inside MSD	58,933 e	61,931	N/A N/A	61,931	743 1.2%	62,674
2 Outside MSD	5,947 e	6,249	N/A N/A	6,249	75 1.2%	6,324
3						
4 TONS RECEIVED	64,880	68,180	N/A N/A	68,180	818 1.2%	68,998
5						
6						
7						
8 TRIPS TO LANDFILL		2,922	487 16.7%	3,409	41 1.2%	3,450
9						
10						
11						
12 TONS PER TRIP		23.3	(3.3) -14.3%	20.0	N/A N/A	20
13						
14						
15						
16 Driver		5,398	900 16.7%	6,297	76 1.2%	6,373
17 Equip maintenance		990	165 16.7%	1,154	14 1.2%	1,168
18						
19 Variable		6,387	1,065 16.7%	7,452	89 1.2%	7,541
20						
21 Station operation		2,227	0 0.0%	2,227	0 0.0%	2,227
22 Grounds maintenance		1,700	0 0.0%	1,700	0 0.0%	1,700
23 Self-haul		1,033	0 0.0%	1,033	0 0.0%	1,033
24 Supervision/o'head		761	0 0.0%	761	0 0.0%	761
25						
26 Non-variable		5,720	0 0.0%	5,720	0 0.0%	5,720
27						
28 DIRECT OPERATING WORK HRS		12,107	1,065 8.8%	13,172	89 0.7%	13,261

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

<b>FOR THE PURPOSE OF APPROVING</b>	<b>)</b>	<b>ORDINANCE NO. 92-468</b>
<b>AN INCREASE IN THE TRANSFER RATE</b>	<b>)</b>	
<b>FOR THE FOREST GROVE TRANSFER</b>	<b>)</b>	<b>Introduced by Rena Cusma,</b>
<b>STATION</b>	<b>)</b>	<b>Executive Officer</b>

WHEREAS, A. C. Trucking dba the Forest Grove Transfer Station, Solid Waste Franchise No. 4, has requested an increase in the maximum transfer rate presently authorized under its franchise agreement with Metro; and

WHEREAS, The present Forest Grove Transfer Station maximum transfer rate is \$22.75 per ton under a franchise amendment adopted by the Council on July 25 1991; and

WHEREAS, A. C. Trucking's current request is for an amendment to its franchise to permit a maximum transfer rate of up to \$25.50 per ton; and

WHEREAS, The Rate Review Committee met and considered the rate increase request from A. C. Trucking; and

WHEREAS, The Rate Review Committee considers the request to increase the transfer rate cap for the Forest Grove Transfer Station to be reasonable, having taken into consideration the criteria under Metro Code Section 5.01.080 and financial information provided by the applicant; now therefore,

The Council of the Metropolitan Service District Hereby Ordains,

1. The increase in the transfer rate to \$25.50 per ton for the Forest Grove Transfer Station operated by A. C. Trucking is hereby approved.
2. The A.C. Trucking franchise agreement shall be amended as shown in Exhibit A attached to, and made part of this Ordinance by reference.

3. This Ordinance being necessary for the immediate preservation of the public health, safety, and welfare, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of the Council

## **EXHIBIT A**

### **SCHEDULE E TRANSFER RATES**

- SE-1** The Franchise Holder shall collect a Transfer Fee, a Disposal Fee and a Metro Fee on each ton of waste delivered to the facility by commercial haulers for transfer. All wastes delivered shall be charged the same rates. The Franchise Holder shall maintain accounts on wastes received and amounts billed to each commercial hauler as required by Metro Code Section 5.01.130.
- SE-2** In the event that the scales for weighing incoming waste cannot be used, tonnage rates are to be converted to yardage rates on the assumption that compacted waste has a density of 600 pounds per cubic yard and that non-compacted waste has a density of 250 pounds per cubic yard.
- SE-3** Fees for disposal (including any fees assessed by local jurisdictions in which the disposal facility is located) and Metro Fees shall be collected by the Franchise Holder on all waste received and shall be paid to the disposal site or Metro as required. In calculating the total charges to be paid on each load or each account, the amount of the charge which is passed through to Metro or to the disposal site shall be itemized. Any changes in the amount of fees for disposal or in Metro Fees to be collected shall result in appropriate adjustments to the total charges collected.
- SE-4** As set forth in SB-3, required User Fee and Regional Transfer Charges shall be paid to Metro. As allowed by Metro Code Section 5.02.050(d), the Franchise Holder may be exempted from collecting and paying the Regional Transfer Charge when a written authorization to do so has been issued by the Solid Waste Director.
- SE-5** As of \_\_\_\_\_, the Franchisee is authorized to charge a transfer fee of ~~\$22.75~~ \$25.50 per ton for mixed solid waste received from commercial haulers.
- SE-6** The Franchise Holder is authorized to charge a minimum Transfer Fee of \$15.00 per load for public self-haulers, provided however that if a self-hauler shall bring in one-half (½) cubic yard of recyclable material (as defined in ORS 459.005) they shall receive a \$3.00 credit toward their disposal charge.
- SE-7** A surcharge shall be levied against a person who disposes of waste at the transfer station, if when entering the facility any portion of the waste is visible to facility scalehouse personnel, unless the waste is only visible through a secure covering. The surcharge shall be \$100.00 for a load delivered by a vehicle greater than three-quarter ton capacity, and \$25.00 for a load delivered by a vehicle of three-quarter ton capacity or less, and shall be collected in the same manner as other disposal fees are collected at the facility.

- SE-8 Included in the fees referred to in SE-3 shall be a Community Enhancement Fee not to exceed \$.50 per ton (less a set-off for real estate taxes paid to the City of Forest Grove) to be paid to the City of Forest Grove per an agreement to be established between Metro and the City of Forest Grove. The Franchisee shall receive thirty (30) days' notice of the effective date upon which to commence collecting this fee and paying it as directed by Metro.
- SE-9 The transfer fee shall not increase the amount set forth in SE-5 without a detailed rate request from the Franchisee and the approval of the Metro Council.
- SE-10 The transfer fee may be adjusted so long as it remains below the amount set forth in SE-5 or the rate currently approved. The Franchisee must notify, in writing, the Solid Waste Director of his intent to adjust the transfer rate at least ten (10) days before he implements plans to adjust the rate. The adjusted transfer rate shall take effect if the Solid Waste Director has not notified, in writing, the Franchisee of his/her disapproval of the proposed adjustment prior to its scheduled effective date. Adjustments in the transfer fee shall not be requested more frequently than once every ninety (90) days. Customers of the Forest Grove Transfer Station shall be provided with sixty (60) days notice prior to any increases in the transfer fee. The purpose in allowing for an administrative adjustment in the approved rate is to allow the operator an opportunity to respond to market conditions and attract needed waste in a timely manner.

PN:clk  
FGTSNEWRATE.EXA  
July 15 1992



Meeting Date: July 23, 1992  
Agenda Item No. 6.1

RESOLUTION NO. 92-1637

## TRANSPORTATION AND PLANNING COMMITTEE REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1637 FOR THE PURPOSE OF ADOPTING THE METROPOLITAN GREENSPACES MASTER PLAN

-----  
Date: July 15, 1992

Presented by: Councilor Devlin

Committee Recommendation: At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1637. Voting in favor: Councilors Devlin, McLain, and Buchanan. Excused: Councilors Bauer and Washington.

Committee Issues/Discussion: Andrew Cotugno, Planning Director, and Pat Lee, Planning Supervisor, presented the staff report. Mr. Cotugno explained that this resolution was the first part of the Greenspaces enablement. The second resolution, for maintenance and operations, will be before the Metro Finance Committee later this week.

Mr. Lee detailed the changes made to the draft since public release of the document. Changes include: 1) reorganization and rewording for readability and improved organizational structure; 2) some individual changes requested during the public review process; 3) a reduction of the number of goals to nine; 4) some site nomination changes; and 5) a reworking of the Roles and Responsibilities appendices. He stressed that the Greenspaces Plan is a "master plan" not a "functional plan."

He also presented a memorandum requesting three changes suggested by Metro Legal Counsel: 1) clarifies that the Master Plan calls for several subsequent planning activities to be completed and for future policy and financial decisions to be made prior to the time Objective No. 9 of RUGGO can be implemented; 2) clarifies that deed restrictions, while sometimes an appropriate protection and management tool, are not always the best tool. The amendment allows flexibility for case by case circumstances; and 3) recommends the use of intergovernmental agreements in the financial plan to ensure local shares of regional bond proceeds are expended in conformance with applicable legal requirements.

Public Hearing: During the public hearing on the resolution, 21 people appeared in enthusiastic support of the plan. The witnesses in favor represented federal and state agencies, local jurisdictions, citizen groups, and themselves. General comments were congratulatory; citing the program as a model for the nation; complimentary of the process and the effort. One witness appeared to offer an amendment to the plan.

Erna Barnett, from Westmoreland, said she believed the plan has major sociological impacts; it creates a more stable population

that is less dependent on gasoline usage with park areas near by; it provides for a cooler environment during hot weather; and it unifies the populace with a common sharing.

Mike Houck, Audubon Society of Portland, encouraged the Council to wear green ribbons promoting the project.

Barbara Hutchison, U.S. Department of Fish and Wildlife, told the committee about the "Naturescaping Program" which provides wildlife habitats within the home environment.

Jack Broome, Wetlands Conservancy, stressed that the program does not intend to "take" land, but to purchase land from willing sellers.

Tim Ramis, representing the Peterkort family, presented an amendment which would change the present designation of their land on which the Sunset Transit Center is located. He took exception to language on page 27 (1.20) of the plan regarding powers of eminent domain. The suggested language was to coordinate the Greenspaces plan with local comprehensive plans and to assure that funding be used to purchase land from willing sellers only.

Several witnesses took exception to the Ramis amendment stating that light rail transit and greenspaces are not incompatible and that there was no intention to take all of the Peterkort property.

Work Session: In work session, the committee adopted the three amendments suggested by General Counsel and discussed the Ramis amendment with department staff and Larry Shaw, Office of Legal Counsel. Mr. Shaw provided a legal interpretation of the impact of the amendment. Mr. Ramis, in response, agreed with the interpretation, elaborated on his issues, and ultimately suggested another compromise, which among other things required a definition of the term "extraordinary circumstances".

Councilor McLain objected to allowing consideration of the amendment to proceed further, citing the lengthy process previously undertaken by the Greenspaces Policy and Technical Advisory Committees, where similar amendments had been considered at length. The committee chose to take no action on the amendment.

Councilor Gardner, as an observer, questioned department staff and legal counsel about the procedure envisioned for page 11 (f)(2) in the Roles and Responsibilities section. The provision appears to require Metro to provide regional operations and maintenance (O & M) funds to local park providers. Under the provision 1) Metro offers a first right of refusal to local parks providers for O & M responsibilities for greenspaces of "common interest" and 2) Metro "will" enter into an intergovernmental agreement with a local park provider to defray all or portions of the O & M costs if a) the local park provider meets regional standards and b) the local park provider provides service at a lesser cost than Metro.

Councilor Gardner's concerns were: 1) how many times must Metro offer a first right of refusal; 2) if a project is upgraded from a land-banking status to full maintenance, must Metro offer again; 3) at what point in time is the offer made; 4) what level of discretion does the Council have in entering into and intergovernmental agreement; 5) where is the burden of proof for determining the "least cost"; 6) how does Metro protect itself from advertent or inadvertent "cherry-picking"; 7) can the Master Plan, and subsequently the Roles and Responsibility document, be amended at a later date; and 8) what will be the reaction of the community to such amendments.

After a lengthy discussion regarding the necessary level of protection needed within the document to provide the most efficient and least costly operations and maintenance of the Greenspaces Program, the committee chose to retain the language, which is restrictive with conditions rather than permissive without conditions.



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Parties

FROM: Paulette Allen, Clerk of the Council

RE: AGENDA ITEM NO. 6.1; RESOLUTION NO. 92-1637 *PA*

The Greenspaces Master Plan has already been distributed in advance to Councilors and copies will be available at the Council meeting July 23, 1992.

Please note testimony given at Transportation & Planning Committee meetings and/or submitted to the Council Department on the Master Plan and related issues.

JUL-14-92 TUE 11:55 AUDUBON SOC PORTLAND 00021021  
Paullette Allen

**Audubon Society of Portland**

5151 N.W. Cornell Road  
Portland, Oregon 97210  
503-292-6855



Portland Audubon Comments :

July 14, 1992

Re: Metro Transportation and Planning Committee Hearing

Dear Richard Devlin,

I am writing on behalf of the Portland Audubon Society with it's 7000+ local members and 90 years of community service in the Portland Metro area. We congratulate Metro for it's leadership in development of the Greenspaces Master Plan and support their continued efforts in it's adoption and implementation.

The livability of our region and the viability of wildlife and wildlife habitat in the Metropolitan area depends in part on Metro to assume a regional planning role with Greenspaces as a top priority.

The existing functions of Metro such as transportation, sewer and water provision and various infrastructure services should be coordinated within the context of Greenspace planning and mapping. Planning these functions without considering Greenspaces may lead to the degradation or loss of sensitive and valuable wildlife habitat. We believe that Greenspaces ought to be the first consideration when planning for the Metro regional infrastructure.

The protection, acquisition and management of parks, open space and recreational facilities of metropolitan significance would be best managed by Metro. The current fragmentation of management appears to make communication and ecosystem protection more difficult. Geographic and natural features such as streams and forests don't end at political boundaries, but transcend many jurisdictions. The Greenspaces Master Plan will consolidate responsibility and help to ensure a regional perspective to natural area preservation.

We urge you to make a long term commitment in planning and transportation to the goals, objectives and development of the Greenspaces Master Plan.

Thank you for your consideration.

Sincerely,

*Michael Carlson*

Michael Carlson  
Urban Conservationist  
Portland Audubon Society

# CITIZENS CAMPAIGN *for* METROPOLITAN GREENSPACES

RECEIVED JUL 16 1992

July 14, 1992

Richard Devlin  
Metro Transportation and Planning Committee  
Metro  
2000 SW First Avenue  
Portland, OR 97201

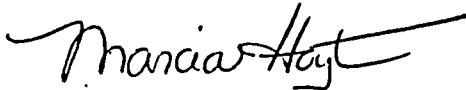
Dear Richard:

The Citizens Campaign for Metropolitan Greenspaces is poised and ready to move forward with a winning Greenspaces campaign. We now need your prompt action.

We recommend adoption of the Metropolitan Greenspaces Master Plan by the full Metro Council.

We urge that you act immediately to refer this to the voter for the November 1992 ballot.

Sincerely,



Marcia Hoyt  
Manager, Citizens Campaign for Metropolitan Greenspaces

MH/jh

1101 N.W. HOYT  
PORTLAND, OREGON  
97209  
503.241.7159

*Authorized by the Citizens Campaign for Metropolitan Greenspaces.*

O'DONNELL, RAMIS, CREW & CORRIGAN

JEFF H. BACHRACH  
MARK L. BUSCH  
CHARLES E. CORRIGAN\*  
STEPHEN F. CREW  
CHARLES M. GREEFF  
WILLIAM A. MONAHAN  
NANCY B. MURRAY  
MARK P. O'DONNELL  
TIMOTHY V. RAMIS  
SHEILA C. RIDGWAY\*  
MICHAEL C. ROBINSON\*\*  
WILLIAM J. STALNAKER

ATTORNEYS AT LAW  
BALLOW & WRIGHT BUILDING  
1727 N.W. Hoyt Street  
Portland, Oregon 97209

TELEPHONE: (503) 222-4402  
FAX: (503) 243-2944

PLEASE REPLY TO PORTLAND OFFICE

CLACKAMAS COUNTY OFFICE  
181 N. Grant, Suite 202  
Canby, Oregon 97013  
(503) 266-1149

JAMES M. COLEMAN  
KENNETH M. ELLIOTT  
Special Counsel

July 14, 1992

\*ALSO ADMITTED TO PRACTICE IN STATE OF WASHINGTON  
\*\*ALSO ADMITTED TO PRACTICE IN WISCONSIN

Richard Devlin, Chair  
Metro Council  
Transportation and Planning  
Subcommittee  
Metropolitan Service District  
2000 SW First Avenue  
Portland, Oregon 97201-5398

Re: Metropolitan Greenspaces Master Plan Draft

Dear Mr. Devlin:

I represent the Peterkort family who owns the land on which the Sunset Transit Center is located. The Greenspaces master plan draft appears to designate the Peterkort property for acquisition as a "reserve." The Peterkorts oppose this designation of their land and are concerned about the use of Greenspaces' funds to acquire land from unwilling sellers.

The Greenspaces plan should have specific language prohibiting Greenspaces funds from being used to purchase land from unwilling sellers. The language currently in the plan does not preclude Metro from using eminent domain to acquire land from unwilling sellers. I suggest the following language be added to the plan:

Funds for acquisition under this master plan may be used (1) to acquire lands set aside to satisfy Goal 5 and local comprehensive plans and (2) to purchase identified land from willing sellers. Funds shall not be used to purchase land from unwilling sellers unless the local comprehensive plan already calls for the preservation of land in order to satisfy Goal 5.



O'DONNELL, RAMIS, CREW & CORRIGAN

Mr. Richard Devlin  
July 14, 1992  
Page 2

The above language will show all concerned that the Greenspaces plan is coordinated with local comprehensive plans and its funding will not be used to purchase land from unwilling sellers.

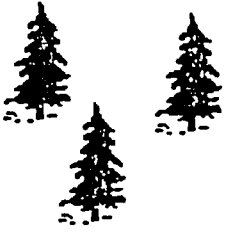
Very truly yours,



Timothy V. Ramis

TVR/bjd  
mcr\Peterkort\50030-1\Devlin.L11

cc: Al Peterkort  
Frank Peterkort  
Lois Ditmars



FRIENDS OF CEDAR MILL  
P.O. Box 91012  
PORTLAND, OREGON 97291

TESTIMONY FOR METRO PUBLIC HEARING 7/14/92

The Friends of Cedar Springs are not asking the PeterKort family to sell all 256 acres to the Metro Greenspace Program, nor are they asking that no development occur on their land. What they do ask, and what is endorsed by strong public sentiment is that approximately 150 acres of dense wood land, much of which is steep terrain and populated by numerous and varied wildlife, be set aside as a regional park and natural area. It would provide a much needed natural buffer between the development that will occur just north of the Sunset Highway and the established communities farther north that face Cornell Road and beyond.

This park would constitute a significant asset to the entire region. With the high density commercial and residential development that is planned for the area (and we're talking about URBAN densities here like apartment buildings, not bedroom communities each with a private backyard) a natural park would give respite to the thousands who will soon be living, working and traveling in the area.

The Urban Growth Boundary demands that we, the Cedar Mill community accept changes in our conception of ourselves as a rural community. We can appreciate the difficult position the PeterKorts are in. You, the PeterKort family own a very large and very valuable piece of property, and the decisions you make can either enhance or be a detriment to the quality of life in all surrounding communities. We hope that you will be sensitive to the responsibility you hold as stewards of this land and will work with your neighbors to help protect what we can of the natural areas that are as yet still left for us and our children.

sincerely,

Laura Di Trapani  
Chairperson

Oregon City, Oregon  
July 14, 1992

Mr. Richard Devlin, Chair  
Metro Transportation and Planning Committee  
Metro  
2000 SW First Avenue  
Portland OR 97201

Dear Mr. Devlin:

This letter is to indicate my support for the objectives and activities identified in the Metropolitan Greenspaces Master Plan. Its provisions that Metro be the lead agency in planning and management of greenspaces areas is most appropriate.

It is good to be in Oregon where people are taking leadership in preparing for the 21st century. Ever-growing population pressures and the continuing diminution of resources will create urgent needs in the decades ahead. This plan should help in maintaining important elements of the quality of life for north-central Oregon. Setting up machinery now will help to conserve important resources and to establish procedures for resolving questions about priorities.

To assign Greenspaces the same level of priority in Metro activities as transportation, water quality, and urban growth gives assurance that the complex program can function adequately. I am glad to see the emphasis on education in ecological processes and on community involvement in the program. Under population pressures with their many competing interests, there will be a better chance of good decisions if people respond from a base of longstanding accrual of knowledge concerning these intricate processes.

Respectfully,

  
Avis Rana

P O Box 754  
Oregon City  
Oregon 97045

632 6811



## ***MISSION STATEMENT***

### **MISSION STATEMENT**

The "Friends of Cedar Springs" want to preserve a 150 acre parcel of undeveloped forested land to create a natural park. This park will enhance the livability of the Portland Metro area and help preserve our quality of life.

### **REASONS FOR THE CREATION OF THE PARK**

- o The Cedar Springs Natural Area would offer a natural recreational experience for many people living in the Metro area. It would be easily accessible from the proposed light rail (MAX) station just North of the Sunset Highway (#26) and Highway 217 interchange.
- o There is a serious shortage of publicly accessible open spaces in the Metro area. The proposed park is in an area classified as park deficient.
- o Cedar Springs is a unique forested wildlife area. Its features include the largest stand of cedar trees left in the Metro area, steep canyons, cool streams and quiet ponds, plus a diversity of animal and plant life.
- o Cedar Springs Natural Area will significantly increase the value and development potential of adjacent commercial property.
- o Cedar Springs Natural Area is one of the last opportunities we have to achieve a balance between commercial growth and wildlife preservation. It is an opportunity to preserve the quality of life we revere here in the Northwest. it will be an important part of the legacy that we leave our children.

*By Troy Horton*



## ***Friends Of Cedar Springs - BACKGROUND***

The "Friends of Cedar Springs" was originally a group of 12 residents of the Cedar Mill area who became acquainted in the spring of 1990. The majority of people were members of the Environment and Park Committee for the Leahy Road Community Association.

The committee decided to pursue several environmental and health issues in the neighborhood. The committee decided that preservation of local forest and wetland areas was one of the most important. Creation of an urban natural area, Cedar Springs Natural Area became a major long-term goal.

In 1991, the "Friends of Cedar Springs" was formed. Our numbers have grown along with financial support. We now have a newsletter and several standing committees including finance, fund raising, park design, publications, public relations and volunteers.

Membership is open to all individuals, organizations, and businesses interested in creating and enjoying the Cedar Springs Natural Area in the near future.

*By Elaine Ryboak*



## **CEDAR SPRINGS NATURAL AREA - DESCRIPTION**

### **LOCATION:**

Approximately seven miles west of Portland, North of Sunset Highway (26) at Cedar Hills Blvd. and West of St. Vincent Hospital. The area proposed for the Natural Area covers approximately 150 acres. There are forest of Western Red Cedar and Douglas-fir, several year-round creeks, a large pond, and an open field.

The last large stand of Western Red Cedar trees in the Portland Metro area survives in the forested part of the Cedar Springs Natural Area. This forest closely represents the historical mixed forest of the area. Oregon Oak and Ponderosa Pine were also found in the Cedar Mill area. Douglas-fir were re-planted in place of this mix of trees. The cedars average 2 feet in diameter with some trees as large as 3 1/2' in diameter; there are Douglas-fir trees up to 4 feet in diameter and a very few Pacific Yew.<sup>1</sup>

Some of this forest lies over an area of lava and lava tubes that extends to the East, up the hill past St. Vincent Hospital to a vent about 3 1/2 miles away. Most of the tubes have collapsed and are filled with lava rubble, ash, and silt.<sup>2</sup>

### **HABITATS:**

- o Shaded streams with cutthroat, red-legged frogs, and red-spotted garter snakes
- o Forest Edge with Anna's Hummingbird, Bitter Chokecherry, Indian Plum, Wild Rose varieties
- o Large trees that provide roosting and nesting places for Sharp-shinned hawk are the Great Horned Owl  
Downed trees provide hiding places for several native salamanders.
- o Ponds and floodplain with Mallards, Pacific Treefrogs, Wood Ducks, Great Blue Herons and wetland plants; rushes, sedges, water plantain, duckweed, Douglas Spirea and Oregon Ash.

Also Open Field, Riparian Woods (ash, willow, cedar), Field Edges, Snags and Stumps for Goldfinches, Raccoons, Downy Woodpeckers; 95 different observed birds, 115 listed varieties of shrubs, trees, lilies, mustards, ferns, sedges, etc.<sup>3</sup>

*By Gretchen Vadnais*

---

<sup>1</sup> Measurements made by Charlotte Corkran

<sup>2</sup> The Ore Bin, Vol. 36. No. 9, Sept. 1974

<sup>3</sup> Observations made by Chris Thoms and Charlotte Corkran



## **CEDAR SPRINGS NATURAL AREA**

### **ECOLOGY**

Cedar groves, quiet ponds, upland forests and streams - the Cedar Springs area is a place of beauty. Though close to Portland and adjacent to the Sunset Highway, several plant communities are still undisturbed and provide habitat for a fascinating diversity of wildlife.

### **TOPOGRAPHY AND GEOMORPHOLOGY**

The proposed Natural Area is located on the northeast slope of the low lying Tualatin Valley. The high water table and poorly drained soils in parts of the proposed Natural Area have created a network of streams and wetlands throughout.

Johnson Creek is the major stream crossing the property. A natural artesian spring and wetland are located just west of the current terminus of 112th Avenue. The western portion of the property flattens into a 100 year flood plain.

The most significant geologic feature of the area is the Boring lava flow. In 1970, lava tubes were discovered during construction of St. Vincent's Hospital. Although not totally unique in the Portland area, these formations are being rapidly filled in and lost to future exploration as a result of urban development.

### **VEGETATION**

Historically, the region north of Beaverton was a forest dominated by Western Red Cedar. The town names of Cedar Hills and Cedar Mill reflect that heritage, but the forests are mostly gone.

Approximately one-half of the proposed Natural Area is still wooded, the balance is cultivated or old fields. Upland area are a mix of Douglas Fir stands, fields and shrubby thickets (excellent for blackberry picking!).

Western Red Cedar is the most important component of the forested stream corridor along Johnson Creek. The steep canyon with nearby seeps and pools provides excellent growing conditions for ferns and wildflowers as well.

The wooded swamp adjacent to 112th Avenue has an abundance of red cedar along with standing dead and down trees which provide excellent wildlife habitat. Skunk cabbage, vine maple and many other wetland plants are found throughout.

Moving westward, the wetland opens into a wet meadow.



## ***HISTORY OF THE CEDAR MILL AREA***

The first white settler in Cedar Mill was Samuel Walters who came from Pennsylvania in 1847. He had a cabin near what is now N.W. Leahy Road and 107th. He married and moved into a brick house near the cul-de-sac on N.W. Walters Lane. Mr. Walters donated one acre of land for Cedar Mill School in 1884.

The first Cedar Mill was built on Cedar Mill Creek on the south side of the intersection of Cornell Road and N.W. 119th. This was among the earliest sawmills to be built in Washington County and the first organized business in the Cedar Mill area. It was built by Justus and John Jones in 1855 and operated until 1891 processing the "abundant cedar logs taken from the surrounding forest (Oregon Journal, Sept. 15, 1981)".

The mill was located near a 32 foot drop in Cedar Mill Creek. This drop was used to run a water wheel. Above the site the creek was dammed to form a pond.

Two other mills were established in the area; one near Laidlaw Road and one near the southeast corner of the Saltzman-Thompson Road intersection. After the original land claims had been logged by the local mills, a second wave of settlers arrived looking for good farmland.

After the original sawmill was abandoned "the holding pond continued to exist as a community recreation area. For nearly 50 years after the operation ceased, local residents swam and fished in the pond".

Another park or recreation area has existed in the Cedar Mill area. This was Lost Park "situated in 150 acres of forest between N.W. Cornell and Damascus roads from 113th to 107th avenues". This park was owned by Frank Hall Reeves. There was a swimming tank formed in Cedar Mill Creek, there were baseball diamonds, hiking trails, horseshoe pits, swings and play equipment and crawfish from the creek. This park was closed and sub-divided starting in the 1930s.<sup>1</sup>

*By Gretchen Vadnais*

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<sup>1</sup> All of the information, except as noted, is taken from Cedar Mill History by Linda S. Dodds and Nancy A. Olson, 1986 (second edition).





## ***TRYON CREEK STATE PARK - AN EXAMPLE***

The Friends of Cedar Springs is not the only volunteer citizen group in Oregon to try to establish a large natural park. Tryon Creek State park in Lake Oswego had similar, humble beginnings.

For many years area residents hoped a large tract of undeveloped land on the Clackamas-Multnomah county border would remain undeveloped, and more importantly somehow come under government protection and stewardship. Multnomah county officials responded to this growing support in 1969 when it purchased 45 acres as the beginning of a proposed, major, urban, park.

Following that, area residents formed a "Friends" organization to raise funds to purchase more land. A huge grassroots effort quickly generated \$27,000 in donations from 1400 families. Meantime developers continued formulating housing project plans and landowners offered more than 200 acres for sale. The sense of urgency created by those pending sales coupled with the enthusiastic community support for a natural preserve, let the state to step in and buy more than 600 acres of land. Federal matching funds covered a significant part of the \$3 million purchase price.

Thus a major natural park was formed. But the work had just begun. The "Friends" group worked in concert with the State Parks Department to design trails, fund construction and the furnishing of a nature center, and organize 3400 volunteers on a very busy trail building weekend.

In the end, the "Friends" raised \$150,000, and today provide guides, work on exhibits and develop programs. Users of Tryon Creek State Park may not know, that were it not for a group of ambitious, forward thinking citizens, this one-square mile wooded natural preserve, criss-crossed with streams and small gorges could have been just another housing development.

*By Jeff Sengstack*



## **LAND USE IN WASHINGTON COUNTY**

### **Question:**

**Have you noticed any new subdivisions blossoming around Washington County lately?**

**Have you noticed new industrial campuses, commercial, and medical sites in Washington County?**

***Now ask yourself, "Have you noticed a parallel increase in recreational, natural areas in Washington County?"***

According to the Oregon Statewide Comprehensive Outdoor Recreation Plan (SCORP), *"The general conclusion of SCORP is that demand for recreation services and facilities in Washington County considerably exceeds the supply of such services."*<sup>1</sup>

Washington County Comprehensive Plan, dated April 1982, states, *"The pressure of a growing population necessitates action while opportunities are still available."*

Did you know that Washington County does not have a major state park within its borders, despite having one of the largest populations in the state and being the fastest growing counties in the state?

Oregon Park and Recreation Division states that there should be 55 acres of park per 1000 population. Our 1990 census shows Washington County's population at 311,554. Based on this figure and the 55 acres per 1000 population, Washington County should have 17,132 acres of park and recreation land! In 1991, Washington county had 137 parks, covering only 1,060 acres! By the year 2000, just 8 short years away, our projected acreage needs will be 21,098 acres!<sup>2</sup>

*"A survey conducted by Portland State University in November, 1980 found that Portland area residents consider that parks and open spaces in the region, and adequate accessibility to them, to be among the*

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<sup>1</sup> Washington County Comprehensive Plan Vol II, dated November 23, 1990

<sup>2</sup> Washington County Comprehensive plan April 1982



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***ORGANIZATIONS OF SUPPORT***

**The following organizations have indicated their support for the Friends of Cedar Springs:**

- 1) CPO 1 - Passed a motion in support of the Park - Patrica Miller (626-9607)
- 2) CPO 7 - Passed a motion in support of the Park - Susan Nolte (645-8847, W=649-5611)
- 3) Leahy Community Association - Geoff Hyde (297-7604)
- 4) Golf Creek Community Association
- 5) Linda Peters - Washington County Commissioner
- 6) Port Bicycle Coalition - Jim Ferner (644-0469)
- 7) Friends of Cedar Mill - Patricia & David Miller (626-9607)
- 8) Friends of Washington County, PO Box 1785, Hillsboro, 97123 - Jan Fort
- 9) Wetlands Conservancy - Jack & Althea Broome (691-1394)
- 10) METRO - Mel Huie, 2000 SW 1st Ave. 97201 (221-1646)
- 11) Audubon Society - Mike Houck (245-1880)
- 12) Friends of Tryon Creek Park - Ruth Penington, President (636-0629), Lu Beck, (246-1714)
- 13) Nature Conservancy - 1205 NW 25th, 97210 (228-9561)
- 14) Catlin Gable
- 15) FAUNA (Friends and Advocates of Urban Natural Areas) - There are about 50 groups:
  - 16) Friends of Forest Park - Nora Riches (645-3119) 12600 NW Rock Creek Rd, 97231
  - 17) Friends of Trees - Richard Sable
  - 18) Friends of Fanno Creek - Geoff Godfrey
  - 19) P.A.R.K.S. - Roger Ellingson
  - 20) Defenders of Wildlife
- 21) Tualatin Hills Park District (645-6433) 15707 SW Walker Rd, Beaverton, 97006

The **Wetlands** Conservancy

May 8, 1991

Mr. Troy Horton  
10136 S.W. Washington Street  
Portland, OR 97225

Dear Mr. Horton,

**SUBJECT: PETERKORT PROPERTY NATURE AREA**


This letter is in support of the possibility of creating a park on part of the property commonly referred to as the Peterkort property. The area lies north of the Sunset Highway, east of St. Vincent Hospital, west of Saltzman Road, and south of Cornell Road.

This very diverse natural area, only a few minutes drive from downtown Portland, is home of many species of wildlife, and was first brought to Washington County's attention by Mike Houck's wildlife survey in 1982. The area includes Johnson Creek and its steep upland fringes. It has lush wetlands in the Johnson Creek basin, and hillsides with their stands of mature second growth timber and shrub understory.

Development of the property or any proposal to put a road (112th is being considered) through the middle of this beautiful and fragile wetland creekbottom ecosystem will result in the major loss of wildlife open space habitat, to the detriment of the local surrounding areas, and of the general quality of life in the Portland metropolitan region. This, so far wild natural area, could become another statistic in the sad story of development over preservation.

This wetland/forest is one of the most significant properties left in Washington County in terms of diverse habitat, open spaces, uplands, and wetlands. A major nature park, part of the proposed urban wildlife refuge system, would be a most logical use. In my view, the highest and best use of this area is not its economic development use, but its open space, natural area use for present and future generations.

Sincerely yours,



Jack Broome  
President

JB:bl

February 13, 1992

To: Andy Catugno, Metro  
Tom Walsh, Tri-Met  
Henry Richmond, 1000 Friends of Oregon

From: Mike Houck, Urban Streams Council  
Re: Integrated Planning Case Study for Peterkort Property,  
Washington County

I have received more telephone and personal inquiries about the status of the "Peterkort property" than any other site in recent months. Based on my long term knowledge of the site it seems to me to represent a classic opportunity for a case study that would focus on integration of transit, mixed-use development and protection of fish and wildlife habitat, open space and passive recreation opportunities, all of which are elements of Metro's RUGGO's.

I am fully aware that this is a controversial site, especially if viewed as a full conservation vs full development scenario. I've represented Portland Audubon Society's interest in the site since completing Washington County's Goal 5, wildlife habitat inventory for this CPO in 1982. I feel, as have others in the neighborhood association and Friends of Cedar Springs, that it is one of the most significant Greenspaces and wildlife habitats within this CPO and is also of regional significance. In many respects this site is a prime candidate for full protection through outright purchase and management as a diverse, intact nature preserve as was the Tualatin Hills Nature Park in Beaverton.

However, the likelihood of that happening seems remote at this point. Even if we had sufficient funds to acquire the entire site, it is certain that any agency, including Metro through the Greenspaces Program, would want to deal with a willing seller. Assuming the owners have plans for development at some level, and that Metro, Tri-Met and others have prioritized the site for purposes other than full protection, it may be in everyone's interest to explore creation of an integrated site design, which provides opportunities for

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF CONSIDERING  
ADOPTION OF THE METROPOLITAN  
GREENSPACES MASTER PLAN

) RESOLUTION NO. 92-1637  
)  
) Introduced by Executive  
) Officer Rena Cusma and  
) Councilor Richard Devlin

WHEREAS, The Metropolitan Service District has taken a leadership role in identifying remaining natural areas in the region and planning for their protection or potential acquisition; and

WHEREAS, Such activities have been and will continue to be coordinated with the affected federal, state, and local governments and citizens in the region; and WHEREAS, Numerous planning efforts, studies and recommendations have been proposed over the past 90 years to develop a system of interconnected greenspaces for the Portland/Vancouver region; and

WHEREAS, On February 9, 1989, by Resolution No. 89-1043, the Metro Council established five specific tasks for regional natural areas planning:

1. Maintain and expand the parks database.
2. Continue regularly scheduled parks forums.
3. Coordinate natural areas planning in the region.
4. Coordinate and assist in the planning, acquisition and development of regional trails, greenways and wildlife corridors.
5. Work cooperatively with local jurisdictions, state and federal agencies, park advocate organizations and the private sector to identify potential regional park and recreational opportunities, potential action plans to preserve, acquire and protect key resources; and

WHEREAS, On June 28, 1990, by Resolution No. 90-1261, the Metro Council established a Policy Advisory Committee to assist the Council in coordinating its Natural Areas Planning Program and to develop a regional consensus in the development of a Metropolitan Greenspaces Master Plan; and

WHEREAS, On December 13, 1990, by Resolution No. 90-1344, Metro established a Technical Advisory Committee to assist the Metro Council in coordinating the Metropolitan Greenspaces Program and Master Plan; and

WHEREAS, On April 29, 1992, a Metropolitan Greenspaces Master Plan Public Review Draft was released for comment through June 15, 1992; and

WHEREAS, On May 28 1992, by Resolution No. 92-1616 the Metro Council stated its intent to adopt a Metropolitan Greenspaces Master Plan; and

WHEREAS, between April 29 and June 15, 1992, Metro staff have undertaken an extensive public involvement effort to solicit comments on the Master Plan Public Review Draft including:

1. Briefings of the governing bodies of most cities and counties and special parks districts within the Metropolitan Service District Boundary;
2. A series of five public workshops throughout the region;
3. Numerous meetings of the Metropolitan Greenspaces Policy and Technical Advisory Committees;
4. Several meetings with the Greenspaces subcommittee of the Metro City Managers organization.
5. Briefings for the State Agency Council for Growth Issues in the Portland Metropolitan Area, Metro's Regional

Policy Advisory Committee, and the Metro City Planning Directors organization;

6. Numerous briefings for civic groups, neighborhood organizations, educational and special interest groups.

WHEREAS, significant improvements to the Metropolitan Greenspaces Master Plan have resulted from this review process; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District adopts the Metropolitan Greenspaces Master Plan, attached as Exhibit "A" and incorporated by reference herein, as recommended by the Executive Officer and the Greenspaces Policy Advisory Committee.

2. That the Council authorizes the Executive Officer to take the actions necessary to allow the District to fulfill the intent of the Master Plan, and to return to the Council at appropriate times with the necessary implementing actions.

3. That the Executive Officer is authorized to make the necessary revisions to the Master Plan document to reflect Council's action for publication as the adopted Master Plan.

Adopted by the Council of the Metropolitan Service District this \_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer



## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1637 FOR THE PURPOSE OF ADOPTING THE METROPOLITAN GREENSPACES MASTER PLAN

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Date: June 25, 1992

Presented by: Andy Cotugno

#### FACTUAL BACKGROUND AND ANALYSIS

Over the last several years Metro has led a cooperative effort to inventory, analyze and recommend strategies to protect a significant number of remaining natural areas within the four-county metropolitan area. Our remaining natural areas are the remnants of native plant communities and associated wildlife habitat which once flourished in the region. Protecting and restoring them will provide the ecological connectivity necessary to sustain wildlife populations within the urban and urbanizing areas of the region. They also form an integral part of the visual setting that provides a green character and sense of place for the metropolitan area.

The Master Plan is a policy document that includes specific tasks which need to be carried out over the coming years by Metro and our cooperators to successfully protect and manage important natural areas as a cornerstone in Metro's larger agenda -- maintaining the quality of life in the region. The Master Plan recognizes the importance of maintaining a regional perspective in planning for, protecting and managing natural areas, which typically cross jurisdictional boundaries. The Plan recommends that Metro establish an interconnected system of natural areas, open space, trails and greenways for wildlife and people, including assumption of direct operations and management responsibilities for selected natural areas assembled as part of the Greenspaces System. In addition, the Master Plan recommends that Metro make a long-term commitment to implementation of the Master Plan through continued coordination of environmental education, technical assistance, citizen involvement and land use and environmental planning initiatives.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 92-1637.

Meeting Date: July 23, 1992  
Agenda Item No. 6.2

RESOLUTION NO. 92-1639A



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Persons

FROM: Paulette Allen, Clerk of the Council *PA*

RE: AGENDA ITEM NO. 6.2; RESOLUTION NO. 92-1639


The Finance Committee report on Resolution No. 92-1639 will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.

---

**METRO**

Planning Department  
2000 S.W. First Avenue  
Portland, OR 97201-5398  
(503) 221-1646

# *Memorandum*

DATE: July 16, 1992  
TO: Council Finance Committee  
FROM:  Andy Cotugno  
SUB: Resolution No. 92-1639A

Based on discussions with the Office of General Counsel and Metro Bond Counsel, revisions to Resolution No. 92-1639 are recommended. Resolution 92-1639A is attached incorporating the following changes:

1. Adding an action no. 5 on the last page prior to the Presiding Officer's signature block requesting that the Executive Officer submit the necessary materials for including the ballot measure in the State Voters' Pamphlet; and
2. Substituting the Recommended Bond Measure for the Sample Bond Measure attached as Exhibit A to Resolution No. 92-1639. Changes in wording between the "Recommended" and "Sample" Bond measures are indicated by overstriking (deletions) and shading (additions).

## EXECUTIVE OFFICERS RECOMMENDATION

The Executive Officer Recommends adoption of Resolution No. 92-1639A

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUBMITTING )  
TO THE VOTERS QUESTIONS OF )  
CONTRACTING A GENERAL )  
OBLIGATION BOND INDEBTEDNESS IN )  
THE AMOUNT OF \$200 MILLION AND )  
AUTHORIZATION TO PROCEED WITH )  
THE FINANCING, ACQUISITION, )  
DEVELOPMENT, OPERATIONS AND )  
MAINTENANCE OF A REGIONAL )  
SYSTEM OF GREENSPACES )

RESOLUTION NO. 92-1639A

Introduced by Rena Cusma,  
Executive Officer and  
Councilor Richard Devlin

WHEREAS, The Metropolitan Service District has taken a leadership role in identifying remaining natural areas in the region and planning for their protection or potential acquisition; and

WHEREAS, Such activities have been and will continue to be coordinated with the affected federal, state, and local governments and citizens in the region; and

WHEREAS, Numerous planning efforts, studies and recommendations have been proposed over the past 90 years to develop a system of interconnected greenspaces for the Portland/Vancouver region; and

WHEREAS, On June 28, 1990, by Resolution No. 90-1261, the Metro Council established a Policy Advisory Committee to assist the Council in coordinating its Natural Areas Planning Program and to develop a regional consensus in the development of a Metropolitan Greenspaces Master Plan; and

WHEREAS, On December 13, 1990, by Resolution No. 90-1344, Metro established a Technical Advisory Committee to assist the

Metro Council in coordinating the Metropolitan Greenspaces Program and Master Plan; and

WHEREAS, On April 29, 1992 a Metropolitan Greenspaces Master Plan Public Review Draft was released for comment through June 15, 1992; and

WHEREAS, On May 28 1992, by Resolution No. 92-1616 the Metro Council stated its intent to adopt a Metropolitan Greenspaces Master Plan; and

WHEREAS, Between April 29 and June 15, 1992 Metro staff have undertaken an extensive public involvement effort to solicit comments on the Master Plan Public Review Draft including:

1. Briefings of the governing bodies of most cities and counties and special parks districts within the Metropolitan Service District Boundary;
2. A series of five public workshops throughout the region;
3. Numerous meetings of the Metropolitan Greenspaces Policy and Technical Advisory Committees;
4. Several meetings with the Greenspaces subcommittee of the Metro City Managers organization;
5. Briefings for the State Agency Council for Growth Issues in the Portland Metropolitan Area, Metro's Regional Policy Advisory Committee, and the Metro City Planning Directors organization;
6. Numerous briefings for civic groups, neighborhood organizations educational and special interest groups.; and

WHEREAS, Significant improvements to the Metropolitan Greenspaces Master Plan have resulted from this review process; and

WHEREAS, The Metro Council adopted the Metropolitan Greenspaces Master Plan by Resolution No. 92-1637; and

WHEREAS, The Metropolitan Greenspaces Master Plan recommends that Metro seek a regional funding mechanism to assemble, through acquisition and other strategies, and develop a regional greenspaces system and also assume operations and management responsibility for components of the system in cooperation with local governments; and

WHEREAS, On July 2, 1992 the Portland Metropolitan Area Local Government Boundary Commission approved Proposal AF-4 allowing Metro to seek voter approval to acquire, develop, maintain, and operate a system of parks, open space and recreational facilities of metropolitan significance, now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District hereby submits to the qualified voters of the District the question of contracting a General Obligation bond indebtedness of \$200 million. The bonds shall mature over a period of not more than 30 years.

2. That the voters of the District shall in the same measure consider the question of whether Metro may finance the acquisition, development, maintenance and operation of a system of parks, open space, and recreational facilities of metropolitan significance pursuant to ORS 268.312 (1)(c).

1

3. That the measure shall be placed on the ballot for the General election held on the 3rd day of November, 1992.

4. That the District shall cause this Resolution and the Ballot Title Attached as Exhibit "A" to be submitted to the Elections Officer, the Tax Supervising and Conservation Commission, and the Secretary of State in a timely manner as required by law.

5. That the Executive Officer, pursuant to ORS 251.285 and Metro Code Chapter 2.10, shall transmit this measure, ballot title, an explanatory statement and arguments for or against, if any, to the Secretary of State for inclusion in the State Voters' Pamphlet.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer

Attest:

\_\_\_\_\_  
Clerk of the Council



## EXHIBIT A

### Recommended-Sample Bond Measure

Caption: "Bonds to Save Green Spaces and Fund Parks System Acquire Land to Develop Regional Natural Areas/Parks System"

Question: "Shall Metro sell two hundred million dollars of general obligation bonds for green-ways, parks, open space and recreation facilities. Shall district acquire, develop, maintain, operate regional system of parks, open spaces, recreational facilities, issue \$200 million General Obligation bonds? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of section 11b, Article XI of the Oregon Constitution."

Explanation-Summary Statement: "Bond will permit Metro to acquire, save, and improve green spaces, parks, and recreation assets. Bonds will mature in thirty years. At least Seventy-Five percent of bond funds will go to buy, and restore nature parks, trails, and green-ways. Up to twenty-five percent of bond funds may be used to help parks departments to buy and improve local parks. Bond funds will not be used for parks maintenance costs. Estimate of mean yearly cost of bonds is 19 1/2 cents per one thousand dollars of assessed value. Metro seeks voter approval for \$200 million in general obligation bonds to buy land, improve, pay related costs for a regional system of natural areas, parks, trails and greenways for wildlife and people. After costs to sell bonds, local governments shall spend up to 25 percent of net proceeds for local park, recreation system needs. Metro shall spend at least 75 percent of proceeds to buy and develop large acre sites, land to restore and trails. These funds shall not operate or maintain these lands."

## **STAFF REPORT**

### **CONSIDERATION OF RESOLUTION NO. 92-1639 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS QUESTIONS OF CONTRACTING A GENERAL OBLIGATION BONDED INDEBTEDNESS IN THE AMOUNT OF \$200 MILLION AND THE FINANCING, ACQUISITION, DEVELOPMENT, OPERATION AND MAINTENANCE OF A REGIONAL SYSTEM OF GREENSPACES**

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**Date: June 25, 1992**

**Presented by: Andy Cotugno**

Over the last several years Metro has led a cooperative effort to inventory, analyze, and recommend strategies to protect a significant number of remaining natural areas within the four county metropolitan area. After an inclusive plan development process, and extensive public review, the draft Metropolitan Greenspaces Master Plan recommends that Metro acquire land and, as appropriate, assume operations and management responsibilities for a regional greenspaces system and recommends that a general obligation bond or other funding source be pursued by the Metro Council to fund acquisition of the greenspaces system and associated capital improvements.

Through adoption of Resolution No. 92-1616 the Council took preliminary steps to implement these recommendations. Resolution No. 92-1616 requests the Portland Metropolitan Area Local Government Boundary Commission to allow Metro to seek voter approval to exercise District authority to "acquire, develop, maintain, and operate a system of parks, open space, and recreational facilities of metropolitan significance" pursuant to ORS 268.312(1)(c). It also requests a tax coordination public hearing before the Multnomah County Tax Supervision and Conservation Commission as required by ORS 294.655 and 1991 SB 1185 prior to the District seeking voter approval of a general obligation bond to assist in financing assembly of a regional greenspaces system.

Resolution No. 92-1639 accomplishes two things:

1. It would refer for voter action authorization for the District to exercise its powers pursuant to ORS 268.312(1)(c); and
2. It would refer a general obligation bond indebtedness question to finance acquisition and capital improvement of the regional greenspaces system to the voters of the District for the November general election.

The Metropolitan Greenspaces Policy Advisory Committee, established by the Metro Council through Resolution 90-1261, recommends that a \$200 million general obligation bond request be referred for voter approval at the November election. The attached "Metropolitan Greenspaces Program Financial Study" provides a financial analysis of the bond measure and its implications for the District. A recommended ballot title is attached as Exhibit A to Resolution No. 92-1639.

**EXECUTIVE OFFICER'S RECOMMENDATION**

**The Executive Officer recommends adoption of Resolution No. 92-1639.**

***METROPOLITAN  
GREENSPACES PROGRAM***

***FINANCIAL STUDY  
METROPOLITAN SERVICE DISTRICT***

***July 1992***

***Public Financial Management, Inc.  
1300 SW Fifth Avenue, Suite 2929  
Portland, OR 97201***

# METROPOLITAN GREENSPACES PROGRAM

## FINANCIAL STUDY

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# METROPOLITAN GREENSPACES PROGRAM FINANCIAL STUDY METROPOLITAN SERVICE DISTRICT

## INTRODUCTION

The following report has been prepared by Public Financial Management, Inc. ("PFM") to assist in the process of examining the financial implications of the Metropolitan Services District's ("Metro") Metropolitan Greenspaces Program (the "Program"). The Program is in its early stage, and much of the basic information related to which lands will be most suitable for protection, which portion should be acquired and at what cost, is not yet available. Consequently, the financial results presented in this report are based on preliminary information prepared by Metro staff and on assumptions made by PFM. Nonetheless, this report, and the computer model that accompanies it, are intended to provide a basis for moving ahead with the Program.

In the course of preparing this report, PFM has developed a computer financial model, which it has provided to Metro with the delivery of this report. The model is designed to allow Metro staff to modify assumptions about acquisitions, acquisition costs, timing and sources of financing for initial capital and land acquisitions and ongoing costs. Additionally, the model presents the tax rate impact resulting from several alternative general obligation bond issuances to finance greenspaces capital improvements and land acquisition.

## GREENSPACES INVENTORY AND VALUATION

According to the inventory and site mapping performed by Metro in 1989, approximately 109,000 acres of the region's land has been identified as existing natural areas in the Oregon component of the Program. Of the total 109,000 of natural area acres, approximately 9,200 are in public ownership. Nearly half of that total is located in Forest Park. It is the remaining acreage of natural areas that provide the pool of lands considered for protection under the Greenspaces Program.

### Regionally Significant Large Acre Sites

The Greenspaces Master Plan identifies certain large acre sites throughout the region that have been designated as regionally significant open space protection areas. It is assumed that these sites would not require restoration and would be primarily reserves and additions to existing parks and reserves. Use of these areas would be to provide and protect open space and for passive recreational activities, such as hiking, bicycling, backpacking, bird watching, and canoeing.

### *Acreage*

Metro staff has prepared preliminary information on the acreage and dollar value of the regionally significant large acre sites and the park inventory that could be included in the Greenspaces Protection Program. The total acreage equals 9,962. Within Multnomah County 3,125 acres have been identified as regionally significant large acre sites. In Washington County 3,140 acres have been identified, and 3,697 acres have been identified in Clackamas County.

### *Value*

For financial planning purposes, the cost of the most important regionally significant large acre sites, in today's dollars, has been estimated at the tax-assessed value of the land. Total tax-assessed value of regionally significant large acres sites is estimated at \$173,686,000. PFM believes that tax-assessed value figures offer the best estimate of land values presently available. With the reassessment of land throughout the state that occurred since the passage of Ballot Measure 5, assessed values in the Metro region are assumed to be close to market values. All actual acquisitions would be subject to a specific appraisal which may or may not agree with the tax-assessed value.

Metropolitan Service District  
Greenspaces Financial Study

The table below lists areas that have been identified as regionally significant large acre sites. The list of large acre sites in the Greenspaces Master Plan is under final review. This list may or may not agree with the Master Plan list.

**METROPOLITAN GREENSPACES LARGE ACRE SITES**

	Acres	Value
<b>MULTNOMAH COUNTY</b>		
Boring Lava Domes	750	
Burlington Bottom	250	
Columbia Shoreline	300	
Fairview Headwaters	150	
Forest Park Inholdings	500	
Heron Lakes	50	
Island Reserves	500	
Kelly Butte East Slope	25	
Ross Island	50	
Sandy River Gorge	500	
Tryon Creek Linkages	50	
<b>Total - Multnomah County</b>	<b>3,125</b>	<b>\$49,664,000</b>
<b>CLACKAMAS COUNTY</b>		
Beaver Lake	250	
Boring Lava Domes	750	
Canemah Bluffs	250	
Finley Nature Reserve	12	
Holcomb Trail Ruts	50	
Island Reserves	50	
Milwaukee Waterfront	25	
Mt. Talbert	200	
Newell Creek Canyon	500	
Pete's Mountain	500	
Rock/Sieben Creeks	250	
Scenic Clackamas River	250	
Sentinel Tree	250	
Tryon Creek Linkages	50	
Tualatin River Access	60	
Willamette Narrows	250	
<b>Total - Clackamas County</b>	<b>3,697</b>	<b>\$51,168,000</b>
<b>WASHINGTON COUNTY</b>		
Bull Mountain	100	
Cedar Mill Wetlands/Forest	150	
Cooper Mountain	250	
Council Creek	500	
Fanno Creek Greenway	100	
Gales Creek	500	
Hagg Lake	250	
Hedges Creek	100	
McKay/Dairy Creek Confluence	250	
Rock Creek	100	
Rock Creek Wetlands	100	
Tonquin Geological Area	500	
Tualatin River Access	240	
<b>Total - Washington County</b>	<b>3,140</b>	<b>\$72,854,000</b>
<b>Total Large Acres Sites</b>	<b>9,962</b>	<b>\$173,686,000</b>

Notes:

1. Sites are not listed in priority order.
2. The acreage associated with each site is an approximation based on the type and characteristics of each site. Actual acreage protected or acquired by the Greenspaces Program may vary substantially from this list.

### *Large Acre Site Priorities*

The Greenspaces Master Plan contains criteria that will be used to prioritize sites for acquisition from the Master Plan list during the acquisition phase of the program. Other factors that can influence the timing and order of acquisition include availability, price, and local conditions. Additionally, the funds available for operations and maintenance of lands will affect priorities and how particular lands are ranked.

### *Large Acre Site Capital Improvements*

At certain funding levels, it may be desirable to allocate funds to large acre sites for the construction of capital improvements. Improvements could include parking areas, camping areas, restrooms and interpretative centers.

### *Restoration Site Protection*

Certain priority open space acquisitions would be of sites requiring restoration to former natural area status. These areas are likely to be closer to historically urban areas of the region and may be impacted by former or approximate industrial use.

### *Acreage*

The Greenspaces Master Plan identifies several restoration site opportunities. The identified restoration sites total 300 acres, and are entirely located within Multnomah County. The site names and estimated sizes are shown in the table below. These sites are not in order of priority.

RESTORATION SITES	Acres	Value
Four Corners	100	
Johnson Lake	25	
Little Four Corners	25	
North Peninsula	50	
Restoration opportunities	100	
Total	300	\$15,625,000

### *Value*

The cost, in today's dollars, of the most important regional restoration sites has been estimated at the tax-assessed value of the land. Total tax-assessed value of priority restoration sites is estimated at \$15,625,000.

### *Restoration Site Priorities*

Priority criteria shown in the Master Plan will be used to prioritize restoration opportunities. Other factors that can influence acquisition include availability, price, and local conditions.

### *Restoration Site Capital Improvements*

Capital improvements in the form of clean-up, re-vegetation, excavation, or construction will be required to return restoration sites to a natural state. The allocation of capital improvements for this activity varies according to bond size.

### *Trail Acquisition*

A significant feature of Greenspaces program activity will involve acquisition of title and right-of-way for lands to create trails and trail corridors. Trail use would include hiking, running, equestrian use, and cycling. In many cases, the Greenspaces funds would be used to add to or complete existing trail corridors. The allocation for this activity varies according to bond size.



### *Acreage*

The Greenspaces Master Plan identifies regionally significant trail corridors and areas. The trail areas amount to 1,490 acres located on 245 linear miles.

### *Value*

The value of land associated with trail systems throughout the Metro region have been estimated at a value of \$35,747,000.

### *Regional Trail Priorities*

At this time, a priority schedule associated with particular regional trail acquisitions is under development.

### *Trails Capital Improvements*

All trails for whatever use will require certain capital improvements. High-use urban trails would be paved to enhance cycling use and prevent deterioration from heavy use. Natural and gravel trails would require basic trail maintenance, bridging, and other improvements. The allocation of funds for this activity varies according to bond size.

### *Local Government Share*

The Greenspaces Master Plan provides that a portion of Greenspaces general obligation bonds will be allocated to a local government for use on local greenspaces, parks, and recreation priorities. For the purpose of this report, it is assumed that the local government share will be 25% of net bond proceeds (after deducting the costs of issuance). Expenditure of these funds is under local governmental control to the extent that such expenditures conform to legal requirements. The local share funds must be used in conformance with the three general areas cited below.

1. **Adherence to federal tax laws related to the issuance and expenditure of federally tax-exempt bonds and related Metro resolutions and ordinances.** As outlined later in the report, the Tax Reform Act of 1986 places controls on the expenditure of federally tax-exempt bond funds. Issues such as arbitrage rebate requirements and draw-down provisions will require continual tracking of the spend-down of bond proceeds and the investment earnings on those proceeds. In addition to federal tax law, resolutions and ordinances adopted by Metro pursuant to bond issuance are likely to contain provisions stipulating the establishment of special funds and the use of trustees that will affect the administration of bond funds.
2. **Adherence to the stipulations and language included in the ballot measure authorizing Metro to issue the bonds.** Metro will be required to ensure that the specific language included in the ballot measure passed by the voters authorizing issuance of the bonds and the subsequent levy for debt service is adhered to in the expenditure of bond proceeds.
3. **Adherence to restrictions in expenditures associated with Ballot Measure 5.** Property tax levies for debt service on voter-approved general obligation bonds are not included in the \$10 governmental rate imposed by Measure 5. There are, however, restrictions imposed by Measure 5 on the uses of general obligation bond proceeds which will need to be adhered to by the local government participating in the local share program.

Because of Metro's requirement to adhere to the requirements above, it would be appropriate to develop intergovernmental agreements for each local government project expenditure. For proper control, it will be necessary for Metro to hold the funds until project expenditures occur. It may be preferable for Metro to administer the program on a reimbursement basis.

As mentioned, the local share program is assumed to be funded by 25% of the net proceeds of the Metro bond issues. The Greenspaces Policy Advisory Committee has recommended that the local share be allocated among the three counties on the basis of assessed market values within Metro boundaries. Each county is expected to develop an allocation between cities and the County and present its allocation scheme to Metro. The allocation to counties assuming a \$200 million bond issue, \$37,000,000 in investment income and \$59,249,000 local share, is shown below.

COUNTIES	Assessed Value	Allocation
Multnomah	\$23,051,325,291	\$29,745,000
Clackamas	8,982,131,950	11,590,000
Washington	13,883,109,527	17,915,000
Total	45,916,566,768	\$59,250,000

#### **Other Greenspaces Program Cost Elements**

Certain other costs associated with the issuance of general obligation bonds and the subsequent acquisition program have been assumed and are described below.

##### *Issuance Costs*

These costs include underwriters discount, legal fees, financial advisory fees, printing costs, and related costs of issuance. It is assumed that bond issuance costs will equal 1.25% of total bond proceeds.

##### *Cost of Transactions*

Acquisition administration will involve a variety of activities including research on property ownership and availability, negotiation with property owners, research on the tax implications of certain property transfers, hazardous materials inspections, engineering studies, title research, and other required technical work. Transaction costs will include the costs of project management staff, legal services, real estate closing costs, and the costs of other required professional services. To the extent that seller represented realtor costs are included in the purchase of land, it is assumed for the purposes of this report that those costs would be included in the land price.

On the basis of information gathered by Metro from other open space program operators, it is assumed that these costs will range from 10% to 12% of the cost of acquiring land.

### Total Value and Resource Allocation

The total value of the Greenspaces Program is shown below. As shown, it is estimated that a bond size of approximately \$462 million would be needed to fund the entire program. The costs presented in the table below assume that the acquisition phase of the Program takes place over five years and that the value of land is inflated over that time. The table also assumes interest earnings of approximately \$92 million, which are directed to each of the Program uses on the basis of an allocation scheme discussed below.

BOND SIZE		TOTAL PROGRAM	
<b>Sources</b>			
Bond Proceeds			\$462,620,000
Interest Earnings			92,098,000
<b>TOTAL SOURCES</b>			<b>554,718,000</b>
<b>Uses</b>		Allocation	
Costs of issuance	1.25%		\$5,782,750
Remaining sources			548,935,250
Local government share	25.00%		137,233,813
Regional share	75.00%		411,701,438
	<b>%Regional Share</b>		
Transaction costs	12.00%		49,404,173
Large acre acquisition	60.00%		247,020,863
Large acre capital improvement	5.00%		20,585,072
Restoration acquisition	4.00%		16,468,058
Restoration capital improvement	3.00%		12,351,043
Trails acquisition	11.00%		45,287,158
Trails capital Improvement	5.00%		20,585,072
<b>TOTAL USES</b>			<b>554,718,000</b>

It is assumed that full funding for the entire Program will not be immediately available. Consequently, the uses of Program financial resources will be partially dependent on the magnitude of resources available. For the purposes of this report, a system has been developed that allocates resources to program categories according to bond size. As shown in the table on the next page, these allocations favor land acquisition over capital improvements. Under larger bond size alternatives, the relative allocation to capital improvements increases.

It is important to note that investment earnings during Program implementation are expected to play an important role in Program implementation. Investment earnings will act to reduce the impact of inflation on Program costs as acquisitions and other expenditures occur over time.

On the basis of on financial analysis by Metro staff and PFM, it appears that full funding of the Program would require a bond issue of approximately \$462 million. Therefore, the following table presents the maximum issue size as well as smaller bond issue sizes.

Metropolitan Service District  
Greenspaces Financial Study

BOND SIZE		TOTAL PROGRAM		\$250 Million		\$200 Million		\$150 Million		\$100 Million	
Sources	Bond Proceeds			\$462,620,000		\$250,000,000		\$200,000,000		\$150,000,000	
	Interest Earnings			92,098,000		46,000,000		37,000,000		27,000,000	
	TOTAL SOURCES			554,718,000		296,000,000		237,000,000		177,000,000	
Uses		Allocation				Allocation		Allocation		Allocation	
	Costs of issuance	1.25%		\$5,782,750		\$3,125,000		\$2,500,000		\$1,875,000	
	Remaining sources			548,935,250		292,875,000		234,500,000		175,125,000	
	Local government share	25.00%		137,233,813		73,218,750		59,625,000		43,781,250	
	Regional share	75.00%		411,701,438		219,656,250		175,875,000		131,343,750	
		%Regional Share				%Regional Share		%Regional Share		%Regional Share	
	Transaction costs	12.00%		49,404,173		26,358,750		21,105,000		15,761,250	
	Large acre acquisition	60.00%		247,020,863		136,340,634		113,492,138		90,023,006	
	Large acre capital improvement	5.00%		20,585,072		8,786,250		5,276,250		2,626,875	
	Restoration acquisition	4.00%		16,468,058		9,730,772		7,861,613		5,857,931	
TOTAL USES	Restoration capital improvement	3.00%		12,351,043		5,491,406		3,517,500		1,313,438	
	Trails acquisition	11.00%		45,287,158		24,162,188		19,346,250		13,134,375	
	Trails capital improvement	5.00%		20,585,072		8,786,250		5,276,250		2,626,875	
				554,718,000		296,000,000		237,000,000		177,000,000	

## FINANCING PLAN

### Means of Land Acquisition and Acquisition Management

In the course of acquiring lands for the Program, it is likely that Metro will utilize various means to secure the rights to land. This will include outright purchase of the title to land, as well as methods that do not include land ownership, but insure preservation of the character of the land as open space.

#### *Outright Land Purchases Through Professional Realtors*

It is assumed that certain open space areas would be purchased by Metro directly through its own efforts. There is likely to be a major role for the services of outside professional services that possess expertise in land acquisition programs such as that envisioned. The advantages of using outside professional services is threefold: 1) such individuals have the skills and knowledge in the land acquisition process; 2) outside professionals have a sense of the real estate market and access to current information on land availability; and 3) Metro can employ the services of these individuals under contract. These services are paid for through the land acquisition process, and are therefore a cost of the Program that can be paid through general obligation bond proceeds.

In order to avoid confusion among the professional service providers, Metro may find it beneficial to contract with particular outside professionals to represent Metro, either on an hourly basis or a contingent fee basis. In either case, the nature of compensation between Metro and the contract professionals will be clearly specified in advance of the Program commencing. Establishing relationships with particular outside professionals will help avoid confusion in the real estate community and clearly establish Metro's objectives and procedures for land acquisition.

#### *Purchase Through a Non-Profit Land Preservation Organization*

An increasingly important means for acquiring land for the public benefit is through non-profit land preservation organizations. There are currently approximately 900 such organizations in the United States that have been involved in the protection of approximately 2.7 million acres of land. Although most of these organizations are small and community-based, there are a handful with a national focus. These include the Trust for Public Land, the Nature Conservancy, the Conservation Fund and the American Farmland Trust. In the course of this project PFM and Metro staff have met with representatives of the Trust for Public Land ("TPL") to determine the possible role for the Trust within the Program.

TPL and other similar organizations are able to secure land at below market rates as a result of the favorable tax benefits that accrue to land sellers. If managed effectively, these organizations operating on behalf of Metro could function as adjunct staff, identifying attractive land acquisition opportunities and working directly with property owners on particular land acquisitions.

When a property appropriate for the Program has been identified for acquisition, a land preservation organization, if it were involved, would initiate negotiations with the landowner. An independent appraisal on the property would be obtained at this point in the process and the results reviewed by Metro staff. If, through the course of negotiations the land clearly fits within the cost and functional parameters of the Program, the organization would proceed with the acquisition at a price not to exceed the market value established by the appraisal. After the acquisition of the land, Metro would purchase the land from the organization at a price not to exceed the appraised value. The costs of the organization (appraisals, legal and environmental costs, staff time, closing costs, etc.) would be included in Metro's acquisition cost of the land. In other words, the land preservation organization will recoup its costs in the spread between the price paid to the landowner and the cost to Metro. Even after including the costs of the transaction and fee to the land trust, it may be possible for Metro to acquire land at below market rates through this process as a result of the tax benefits to the landowner from selling at a price below market. Once again, in no case would Metro be required to purchase the land at a price in excess of the appraised value. Since the land preservation organization's transactions costs would be included in the purchase price paid by Metro, use of such an organization would reduce the expenditures by Metro associated with acquisition administration.

The advantages of working with a land preservation organization include the expertise that these organizations have developed in acquiring lands for public benefit. For example, TPL has acquired over 500 thousand acres valued at nearly \$600 million, in the United States. The approach developed by land preservation organizations over the years could benefit the Program, particularly in its early phases. Metro staff could benefit from training by organization employees in the tax advantages of selling at below market rates to public agencies, the techniques for identifying and approaching landowners, and legal elements of land transfer. It may also be worthwhile to develop a relationship with one or more land preservation organizations because some landowners simply may not wish to deal directly with government, for whatever reason. In such cases, a land preservation organization can essentially act as an intermediary that handles the land purchase, then turns the land over to Metro at a price not to exceed the appraised value.

### *Conservation Easements*

In some cases, Metro may be able to accomplish the goals of preserving land as greenspace without having to acquire title to the land. For example, a conservation easement can be obtained as a result of an agreement between a landowner and a public entity (in this case, either Metro or a land trust) that limits the development rights on the property. The easement itself attaches to the deed on the land and defines the future uses of the land in perpetuity. The landowner continues to own the land, but the development restrictions placed on the property are recorded on the deed to the land. Conservation easements may either be donated or sold by the landowner. In the case of sale of the easement, the cost could be a small fraction of the cost of outright purchase.

Financial benefits to the landowner offering a conservation easement are twofold: 1) the Internal Revenue Service recognizes that the transfer of development rights reduces the value of the land asset, and the value of that reduction can be written off on the landowners federal income taxes; 2) the value of the land has been reduced as a result of the easement and will be recorded as such for local property taxation purposes. Since the easement operates in perpetuity, the value of the land has been permanently reduced since possible uses have been restricted.

Conservation easements are an effective means of retaining property as a scenic backdrop. In such a case, public access may be limited to the protected property, but the natural qualities of the land will not be compromised by future development. Conservation easements can be drafted, however, to allow for public access through use of a trail easement or other mechanism set forth in the legal documents establishing the easement. The conditions established under a conservation easement are as broad as the parties to the agreement wish to make them.

### *Donations and Bequests*

It is possible that Metro could be the recipient of open space land acquired through donations or bequests. Either Metro or a Greenspaces nonprofit foundation could accept donations and bequests and include such land in the open space system. Financial donations or bequests could also be used for acquisition or maintenance of the system depending on the terms of the gift.

### *Program Schedule*

Since the Program may ultimately involve acquiring or protecting more than 10,000 acres, it is reasonable to expect that the acquisition process will require several years to implement. Identifying regionally significant greenspace land, initiating negotiations with landowners, coming to terms and obtaining the land will take time for each individual parcel.

It is assumed that the actual acquisition process will follow approval of a ballot measure authorizing Metro to finance the Program through issuance of general obligation bonds. The vote is scheduled for November, 1992. Until then, existing Metro staff will focus on the preliminary planning efforts and estimating the ultimate size and schedule for the Program. As discussed in this report, additional Metro staff required specifically for the acquisition of land will not be hired until after voter approval.

### Bond Issuance Schedule and Sizing

In performing its financial analysis, PFM has assumed that the costs associated with acquisition of Program land will be financed with general obligation bonds. General obligation debt is not a means of paying for on-going operating costs. It is, however, appropriate for paying for capital improvements and land acquisition.

Metro has the authority (under ORS 268.520 (1)) to issue general obligation bonds supported by property taxes. The limit on the amount of general obligation bonds that may be outstanding is 10% of the true cash value of all taxable property in the District. Based on the assessed value of Metro for fiscal year 1992 (\$45,916,555,768) Metro is authorized, subject to voter approval, to issue up to \$4,591,655,577 in general obligation debt. The credit market limit is much lower than this and depends on the overall property tax burden to the property owners within Metro.

Assuming 4% inflation in assessed value over two years and a 30-year level debt service bond issue at 7.0%, a levy of .1623 cents per \$1,000 of assessed value would produce \$1,000,000 in bond issue principal. This means, for example, that a \$100,000,000 bond issue would require a levy of approximately \$.1623 per \$1,000 of assessed value. For a \$100,000 house, a \$100,000,000 bond issue would result in an annual addition to property taxes of approximately \$16.23.

It is assumed for the purposes of this analysis that Metro will issue bonds for the full amount authorized soon after a successful ballot measure. Interest earnings over time on bond proceeds will ensure that Metro maintains purchasing power consistent with inflationary increases in land value.

It is assumed that thirty year bonds would be issued at 7.0% interest.

The table below shows relevant financial information for five different bond sizing alternatives.

Bond Issue Amount	Interest Income	Total Sources	Maximum Annual Debt Service(1)	Initial Tax Levy/\$1,000(2)	Average Tax Levy/ \$1,000(3)
\$462,000,000	\$92,000,000	\$554,000,000	\$37,231,000	\$0.7497	\$0.4490
\$250,000,000	\$46,000,000	\$296,000,000	\$20,146,000	\$0.4057	\$0.2432
\$200,000,000	\$37,000,000	\$237,000,000	\$16,117,000	\$0.3254	\$0.1945
\$150,000,000	\$27,000,000	\$177,000,000	\$12,088,000	\$0.2434	\$0.1459
\$100,000,000	\$18,000,000	\$118,000,000	\$8,058,000	\$0.1623	\$0.0972

(1) Maximum annual debt service over 30 year life of bonds.

(2) Tax levy in first year after issuance, assumed to be 1994. First year levy reflects two years of growth in Metro's assessed value at 4% annually.

(3) Average levy over life of bonds. Assuming \$45,916,555,768 as the total assessed value for the Metropolitan Service District and 4% annual growth in assessed value.

On the basis of this analysis, to maximize funds available for Program objectives, it is recommended that Metro issue most of the bonds in a lump sum. This approach will enhance investment earnings on the Program's bond proceeds, and those investment earnings will be applied to Program acquisitions and capital. In effect, investment earnings will act as a means of maintaining the purchasing power of the Program as inflation grows over time.

### Impact of the Tax Reform Act of 1986 on Program Land Acquisitions

The Tax Reform Act of 1986 had profound impacts on the ability of local government's to issue tax-exempt debt for a variety of purposes. In general, the Act made it more difficult for governments to retain the tax-exempt status on debt if the ultimate use of the proceeds of that debt substantially benefitted private individuals or entities. It is possible that circumstances may arise in the course of the Program that will require careful examination in light of the Act.

For example, assume Metro identified a 50 acre parcel of land, half of which was well-suited for inclusion in the Program. Therefore, only 25 acres of the 50 would be suitable for acquisition through the Program. There are likely to be cases when the landowner will only be willing to sell the parcel in total. In such a case, Metro will own land that will not be well-suited for the Greenspaces Program (for example, large tracts of farm land) but may be attractive for other uses, like development. Under the Act, the tax-exempt status of the bonds issued for Program land acquisition would be endangered if Metro were to acquire land using tax-exempt proceeds then turn around and sell some of that land to private interests. The Act also affects the use of concessionaires and private operations that may take place on the publicly acquired land. The following is a brief description of some of the key elements of the Act.

The Act established two primary types of bonds for tax purposes: governmental purpose and private activity. If bonds are governmental purpose, then there are few restrictions and they are fully tax-exempt. If the bonds are private activity, then only certain types of bonds may be tax-exempt (for example, land acquisitions related to a qualified redevelopment activities fall into this category) and these are subject to many further restrictions or provisions (for example, the Alternative Minimum Tax "AMT").

To retain the governmental purpose classification necessary to finance using tax-exempt bonds there are several hurdles.

- \* **Ownership:** The facility or asset must be governmentally owned.
- \* **Operation:** The facility or asset must be governmentally operated or operated under a management contract (including with non-profit organizations) which conforms to the federal definition of a "qualified management contract."
- \* **Use Test and the Debt Service Payment Test:** There are two tests to determine governmental purpose, if the two conditions listed above are satisfied. If either of the following two tests indicate a "governmental purpose", then the bonds will be governmental purpose bonds. Note that only one of the following two tests need to be satisfied in order to achieve governmental purpose status.

**Use of the Facility ("Use" Test):** The primary users must be the general public. If one organization has preferential treatment which exceeds 10% of the facility's use (legal counsel can provide full detail on the calculation of the 10% use), or if preferential treatment of private users exceeds 10% in combination, then there is private use and the bonds are no longer governmental purpose unless the following test is met:

**Debt Service Payment Source ("Security Interest" or "Private Payment" Test):** This test is met if the source of payment for the bonds does not derive from private users by greater than 10% (the formula is more complicated, but this is a useful simplification.) Indeed, some users are restricted to 5% and the total 10% limit is cumulative for all private users. In the case of the Program, since the bonds would be repaid through property taxes, Metro would not have a problem meeting the security test.

#### *Concession/Parking Options*

If the government owns the concession stand or parking facility and uses a qualified management contract with a private operator, the stand or garage does not count toward the 10 percent limitation. The parking garage must make its spaces generally available; there can be no assigned spaces to outside users. Parking must be operated on a first-come, first-served basis and only month-to-month contracts will be allowed.

If a private entity owns and operates the concession stand, any bonds issued for construction or acquisition of the facility or asset would be governmental purpose if the aggregated private use (concession stands plus any other private use) do not exceed 10% use or payment on debt service.



### *Qualified Management Contracts*

The Tax Act specifically allows the private operation of certain functions at governmentally-owned facilities financed with tax-exempt bonds. Those functions include the operation of cafeterias, lounges, food service, and parking areas. In order to issue tax-exempt debt for a governmentally-owned asset that will be operated by a private entity, the contract with that private entity needs to meet each of the following conditions.

- 1) The term of the management contract cannot exceed 5 years (including renewal options).
- 2) The governmental unit owning the facility may terminate the contract without cause and without penalty at the end of three years.
- 3) Fees provided to the private facility manager may not be based on a share of the profits of the asset.
- 4) At least 50% of the fees provided to the private facility manager must be on a fixed fee basis.

### *Impact on Timing and Structure of Bond Issues*

Earlier in the report PFM describes the benefits of a lump sum bond issue. This approach may not be advisable if there is a likelihood that some portion of the bonds will not qualify as governmental purpose debt. A worst case scenario would emerge if the bonds were issued in one lump sum and ultimately a portion of that debt were used for non-qualified purposes. This could result in the entire issue being declared subject to federal income taxes by the Internal Revenue Service and massive financial losses to the holders of Metro's bonds. In order to prevent this situation, a phased bonding program in which bonds were issued for particular (and potentially taxable of private activity) land acquisitions may be more appropriate. The issue of tax-exemption and Program timing will need to be examined further with Metro's bond counsel.

### **Property Tax Limitation Measure**

On November 6, 1990, Oregon voters approved Ballot Measure 5, (now Article XI, Section 11b, of the Oregon Constitution), which imposes a 1.5% limitation on property taxes as well.

Beginning fiscal year July 1, 1991, taxes imposed on property are separated into two categories: one category dedicates property tax revenues raised to fund the state's public school systems defined as "educational services, including support services, provided by some unit of government, at any level from pre-kindergarten through post-graduate training"; and one which "dedicates revenues raised to fund government operations (e.g., cities, counties, special districts, metropolitan service districts) other than school systems."

Beginning in fiscal year 1991-92, property taxes for non-school government operations are limited to \$10.00 per \$1000 of Real Market Value (RMV). All local governments which levy a property tax will be required to share the \$10 per \$1000 of RMV limitation on each property.

### *Exemptions from Property Tax Limits*

Sections 11b (3a) and (3b) of Ballot Measure 5 specifically exempt taxes imposed to pay principal of and interest on bonded indebtedness provided bonds are: 1) authorized by a specific provision of the Oregon Constitution, or 2) are approved by the voters of a government unit and offered as general obligations for "capital construction or improvements." Capital construction and improvements are not defined in the measure itself, but are defined in the recently approved legislation.

Ballot Measure 5 defines exempt local improvements to be capital construction projects which:

- "provides a special benefit only to specific properties or rectifies a problem caused by specific properties;" and
- "the costs of which are assessed against those properties in a single assessment upon completion of the project;" and
- "for which the payment of the assessment ... may be spread over a period of at least ten years."

### Recently Approved Legislation

The 1991 Oregon Legislative Assembly adjourned on June 30, 1991, having spent much of the session addressing Ballot Measure 5. The key bill addressing the statutory implementation of Ballot Measure 5 is HB 2550, which was approved by the Legislature and signed into law by the Governor on June 30. The law took effect September 29, 1991.

- House Bill 2550 - Prescribes the overall tax assessment, administration and collection methods and procedures to conform to the tax limitations and requirements of Ballot Measure 5. Defines key terms including "Real Market Value," "Exempt Bonded Indebtedness," "Capital Construction" and "Capital Improvements."

Section 210 (14c) exempts general obligation indebtedness issued after November 6, 1990 which is voter approved and used for capital construction or improvements.

Section 210 (17-19) defines capital construction and improvements to include all activities related to the construction, modification, replacement, repair, remodeling and renovation of structures which have a useful life of over one year; the acquisition of land, or legal interest in land, in conjunction with the capital construction of a structure; the acquisition and installation of machinery, equipment, furnishings and equipment which have a life of over one year; and activities related to capital construction such as planning, design, studies, permits, and acquisition of financing. Structures are defined as any temporary or permanent building or improvement to real property of any kind which is constructed on or attached to real property, whether above, on or beneath the surface.

### Evaluation of Credit Impact from Greenspaces Program

The credit markets and bond rating agencies recognize that governmental issuers have a finite capacity to issue debt supported by the wealth of the community. This is termed a jurisdiction's debt capacity. In the course of the report PFM has performed a preliminary evaluation of Metro's capacity to issue general obligation debt in the magnitude envisioned.

The following table compares Metro's current and prospective debt position to national medians of debt capacity compiled by Moody's Investors Service. The table identifies two measures of debt capacity: debt per capita and debt as a percent of market value of taxable property. These two measures have been calculated based on Metro's present debt position (including all tax-supported debt issued by underlying jurisdictions), as well as based on the assumption that additional debt, ranging from \$150 million to \$250 million, is issued.

Metropolitan Service District					Moody's Medians					
	Current Direct Debt	Current Plus \$150 Million	Current Plus \$200 Million	Current Plus \$250 Million	Cities Over 500,000			Counties Over 1,000,000		
					Low	Median	High	Low	Median	High
Debt Per Capita	\$554	\$677	\$718	\$759	\$647	\$1,169	\$4,245	\$479	\$1,069	\$2,073
Debt as a % of AV	1.47%	1.79%	1.90%	2.01%	1.50%	4.00%	12.50%	0.70%	2.50%	5.70%

In the case of both measures of debt capacity, Metro is well below the national medians, even when assuming an additional \$250 million in debt. For debt per capita, Metro would face a debt per capita level of \$759, compared to a level of \$1,169 for cities with populations of more than 500,000 and \$1,069 for counties with populations greater than 1,000,000. With respect to debt as a percent of market value of taxable property, at the maximum Program financing level this ratio reaches 2.01%, compared to median city and county ratios of 4.00% and 2.50%, respectively. Consequently, by virtue of its large population and assessed value base, Metro appears to have extensive capacity for issuance of property tax-supported debt. Nonetheless, a Program of the magnitude envisioned will require close contact and communication about Metro's credit position with representatives of the rating agencies and investment community.

### Impact on the Property Tax Collections of Local Governments

One of the impacts of the Program will be the removal of large tracts of property from the property tax rolls. This will affect all of the municipalities collecting property taxes. PFM has, based on preliminary information, prepared an estimate of the assessed value of regionally significant land within the three metropolitan Portland counties. The table below presents that estimate.

County	FY 1992 Tax Assessed Value	Program Land	Percent of Total
Clackamas County	\$12,429,965,230	\$51,168,000	0.41%
Multnomah County	23,326,062,673	65,289,000	0.28%
Washington County	15,014,277,579	72,854,000	0.49%

The percent of assessed value of potential Program land to total assessed value based on current value and acquisitions projected ranges from .28% for Multnomah County to .49% for Washington County. To the extent that property tax rates in affected areas are below \$10 per thousand, revenues will not be lost, but the rate to taxable properties would be slightly higher, as some land is taken off the property tax rolls. Analysis exists, however, indicating that protection of open space areas can have a positive influence on property values in close proximity to protected areas. This would lessen the effect of removing open space areas from property tax rolls.

### GREENSPACES OPERATION PROGRAM

#### Cost of Operations

The Program involves much more than simply issuing general obligation bonds. In fact, the acquisition phase is just the first step in a long-term process of Program management. As indicated, there are two key elements to the financing of the Program. One, the acquisition and capital improvements component, has been discussed above. The second is the cost of ongoing operation and maintenance of the acquired lands and the costs of Metro staff designated to manage the land. As mentioned above, general obligation bonds can be legally used for land acquisition, but not for operations and maintenance.

In order to estimate operations and maintenance costs, Metro staff and PFM have surveyed other open space districts around the country. On the basis of the information received in the survey, the following schedule of annual costs on a cost per acre basis (with the exception of trails, which are presented on a cost per linear mile basis) has been developed. Basic maintenance costs assume that the land would be purchased and developed for passive, if any, recreational use. Estimates of annual maintenance for a landscaped park are as high as \$2,400 per acre.

Alternatively, if a funding source is not identified for the Greenspaces operations (see discussion under section -- Revenue Sources for On-Going Operating and Capital Needs) it may be necessary to "land bank" acquisitions and develop the sites for use at a future date while relying on volunteer efforts from "friends groups" to make land available for limited use. It is assumed, under the land banking scenario that the annual operating cost per acre for all acquisition categories would be \$35. The projected costs under the limited maintenance and land banking scenarios are shown in the table below and illustrated in the graph on the following page.

The computer model developed by PFM uses information on per acre operating costs to forecast future operating costs. At this point, cost estimates related to both capital and operating costs are based on preliminary information. As updated cost information is obtained, the model can be updated to reflect that new information.

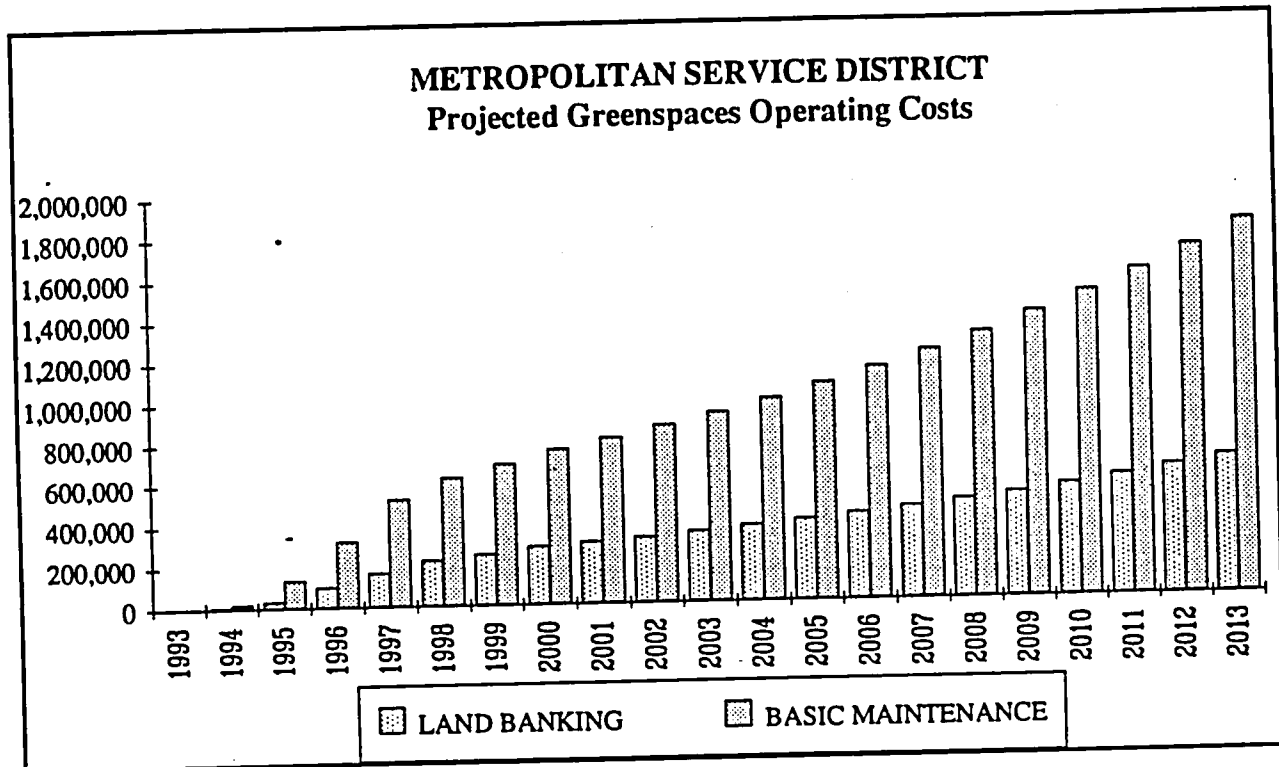
Metropolitan Service District  
Greenspaces Financial Study

	<u>Basic Maintenance Costs</u>	<u>Land Banking Costs</u>
Access Points	\$120 per acre, per year	\$35 per acre, per year
Addition	\$50 per acre, per year	\$35 per acre, per year
Reserve	\$50 per acre, per year	\$35 per acre, per year
Restoration	\$175 per acre, per year	\$35 per acre, per year
Trails	\$1,500 per linear mile, per year	\$35 per mile, per year

As previously, it is assumed that land acquisition will take place over several years. PFM has randomly assigned an acquisition schedule to the list of priority regionally significant sites identified in the Greenspaces Master Plan to simulate the acquisition of open space inventory that would be under Metro's ownership and responsibility. It is assumed for the purpose of this analysis that \$200 million in general obligation bonds are issued. By applying the per acre cost of maintenance shown above to the acquisition schedule, we have developed an estimate of annual costs for the program through FY 1999-2000.

These estimates of operating costs do not include amounts for on-going fire and safety protection. It is assumed for this analysis that this protection would be provided by local jurisdictions with augmentation by Metro, as necessary, for special circumstance situations.

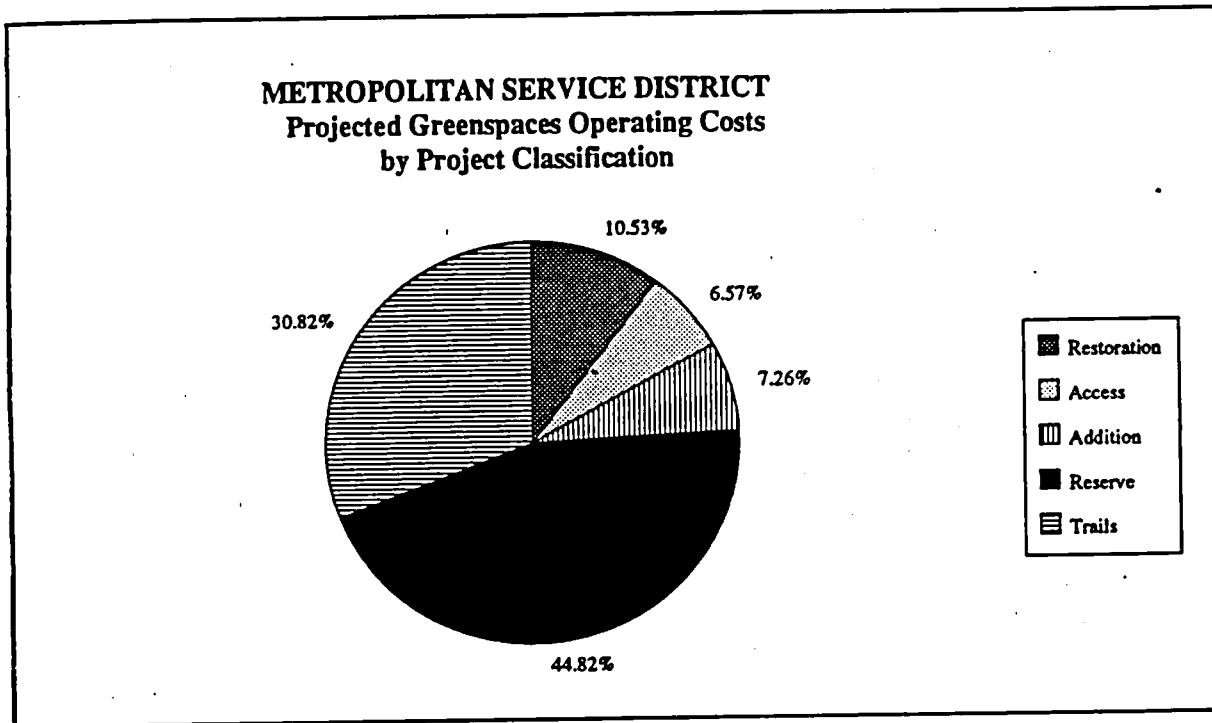
BASIC MAINTENANCE							Land Banking
	Restoration	Addition	Reserve	Access	Trails	Total	Total
FY 1993-94	19,000	0	0	0	0	19,000	4,000
FY 1994-95	35,000	7,000	21,000	1,000	71,000	135,000	29,000
FY 1995-96	48,000	32,000	90,000	1,000	151,000	322,000	99,000
FY 1996-97	52,000	39,000	160,000	32,000	241,000	524,000	165,000
FY 1997-98	55,000	42,000	236,000	39,000	258,000	630,000	223,000
FY 1998-99	59,000	45,000	269,000	41,000	276,000	690,000	250,000
FY 1999-2000	63,000	48,000	316,000	45,000	296,000	768,000	282,000



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
LAND BANKING	4,000	29,000	99,000	165,000	223,000	250,000	282,000	301,000	322,000	345,000
BASIC MAINTENANCE	19,000	135,000	322,000	524,000	630,000	690,000	759,000	812,000	869,000	929,000

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
LAND BANKING	369,000	395,000	422,000	452,000	484,000	518,000	554,000	593,000	634,000	678,000
BASIC MAINTENANCE	994,000	1,064,000	1,139,000	1,218,000	1,304,000	1,395,000	1,492,000	1,597,000	1,709,000	1,828,000

The following graph presents the breakdown of basic maintenance operating costs by the categories identified above. As the graph shows, nearly one-half of the operating costs associated with the acquired land being considered for acquisition falls into the reserve category, and almost one-third are associated with trails.



#### **Revenue Sources for On-Going Operating and Capital Needs**

As stated, the Greenspaces protection program requires care that continues beyond the acquisition stage. The funding of operational protection of the land must be a comprehensive approach that considers all available resources including internally-generated revenue, public funds, volunteer services and fund raising efforts. An examination of potential resources in each of these areas follows below.

It is critical to emphasize that the projections of operating costs are based on an assumption that the land acquired for greenspaces will not require high maintenance. In most cases, it is assumed that the land acquired will be essentially left as is, and consequently operating costs will be low. Therefore, the revenue sources identified to meet the ongoing needs will not have to be extensive revenue producers. Below is a list of possible revenue ideas under study, including several promising internally-generated sources.

#### ***User Fees and Internally-Generated Revenue***

##### **Greenspace Parking Permit**

Since the magnitude of operating costs for the Program are likely to be relatively low, Metro can focus on revenue generating mechanisms that lack large scale revenue capacity. A revenue source that has been used by both the states of Oregon and Washington is a permit charge on vehicles that park within a designated open space area. In the Portland Metro region, the Department of Fish and Wildlife requires cars that park on Sauvie Island to obtain a permit, either for one day or for the year. This program was started in March 1990 and produces approximately \$120,000 annually. In 1992 the Department projects selling approximately 25,000 daily permits at \$2.50 and 6,000 annual permits for \$10.00. Compliance levels among visitors to the island ranges from approximately 40% on hot summer weekends to 85% during hunting and fishing season. Presumably, individuals that use the island frequently (hunters and fishermen) are more likely to be familiar with the parking permit program and have an annual permit. Compliance with the permit program is enforced by the state police, but collections from violators

go to the court system and not the Department.

Another example of a parking program is provided by the Oregon State Motor Vehicles Division Sno-Park program. The program requires that cars parking in the Oregon national forests and other recreational areas during parts of the year display a Sno-Park pass. The price of a daily pass is \$2.00 and an annual pass costs \$9.00. The program is susceptible to the skiing conditions on Mount Hood (the major site for revenue generation), but revenue production over the past nine years has ranged from \$577,012 in 1985-86 to \$751,393 in 1988-89. The number of annual passes sold in 1990-91 was 55,426 (\$498,834) and daily passes equaled 84,462 (\$168,924).

The Sno-Park program and the parking permit program on Sauvie Island provide examples of revenue generating mechanisms that could be employed by Metro in its Greenspaces Program. In both cases, these programs generate relatively modest revenues, but the magnitude of revenues expected to be needed to operate the Program are modest. Such a parking program also has the attraction that the most direct beneficiaries of the Program bear the costs of operations.

#### Day Use Fees and/or Camping Fees

The public could be charged for the use of the Program lands, either through annual memberships or on a daily basis. Fees could apply either to daytime use or for overnight camping. Initiation of this kind of program, however, would need to be considered in terms of the potential liability costs facing Metro. Charging for use of the Program lands would result in Metro assuming a greater duty to protect user from potential hazards on the lands than is the case if no charges are levied. This increase in potential liability might argue against any "fee for use" revenue scheme.

#### Concessions

Providing facilities for food, drink and gift concessions at Program sites could generate revenues, although it could cause two problems. One is related to the tax implications, as described above. Operators of concessions would either have to be public employees or work under a qualified management contract. Second, providing concessions at greenspace locations might run counter to the intent of the Program, which to provide the public with access to unspoiled natural areas. Concession facilities would likely generate garbage at the Program sites and diminish the natural qualities of the land.

#### *Public Funds*

The following is a brief discussion of potential public funds to finance operations and maintenance of the Program. It is important to again note that based on the projected operating costs, the level of collections would need to be very modest. Alternatively, the tax revenues could be levied at a rate that would allow application to more than one program. Other governments that operate open-space programs rely on a variety of tax revenue sources including property tax levies and real estate related taxes such as those outlined below.

#### Real Estate Taxes

When possible, equity and fairness considerations argue for a rational connection between the requirement for public funding and the industry or activity subject to taxation. The relationship between real estate growth and the need to preserve and protect open spaces is significant. The greater demand there is on the development of open land, the greater the need for government to step in and ensure adequate protection of open space to preserve the balance between economic development and quality of life for the region's residents. It is logical, therefore, to consider certain taxes on real estate transactions as a resource for Greenspace protection.

**REAL ESTATE TRANSFER TAX** - A Metro real estate transfer tax would place a charge on any real estate transactions taking place within Metro. Washington County is the only governmental unit in the State of Oregon that currently levies a real estate transfer tax. The tax in Washington County was imposed in 1974 and is levied at a rate of .1%, or \$1 per \$1,000 of the sale price of property. In fiscal year 1990 the tax produced \$1.56 million, indicating that a total of \$1.56 billion worth of real estate subject to the tax was transferred. The tax does not apply to transactions with a value of less than \$14,000. The Oregon State Legislature has prohibited the imposition of new real estate transfer taxes (or, in Washington County's case, increase in the existing tax) until January 1, 1994. Metro does not have the authority to levy this tax.

**BUILDING PERMIT CHARGE OR SQUARE FOOT ON NEW CONSTRUCTION CHARGE** - This tax source would involve a charge on the value of new construction levied at the time that the building permit was filed. The charge could either be based on the value of the permit or on the number of square feet of the building. The attraction to this kind of charge is its direct relationship to the growth pressures that are being exerted in the Metro region, and the consequent necessity for protecting existing greenspaces while they remain. Currently, Metro does not have the authority to levy this tax.

**LAND CORNER PRESERVATION FEE** - Current state law allows for counties to establish a fee which is to be used to pay the expenses incurred by the county surveyor in the establishment and maintenance of corners of government surveys. This fee is currently levied by each county on transfers of property, or the recording of various documents with the county clerk's office. Currently, Washington County charges \$8 as its fee, Clackamas County charges \$5 as its fee, and Multnomah County charges \$3 as its fee. The Program is necessary because of the explosive growth in the region. This fee is directly related to growth in the region, and is, therefore, a fair means of paying greenspaces operating and maintenance budget. Currently, Metro does not have the authority to levy this tax.

In order to enact this fee, legislative authority would have to be given in order to use the funds for the greenspaces program. Additionally, it would be most beneficial to the program if the total fee were \$15, \$10 of which should be given to the counties for current applications and the maintenance of their respective greenspaces, while \$5 could be given to Metro for its greenspaces. This fee would generate approximately \$1.8 million for the counties while generating about \$900,000 for Metro.

**OTHER REAL ESTATE TAXES** - Other real estate taxes might include a real property gains tax on sales of property above certain threshold levels, a so-called "mansion tax" on sale or building of residences above a certain threshold level, a mortgage tax on mortgage debt, anti-speculation taxes on property that is re-sold within a few years of its original purchase, and a title insurance surcharge.

#### Other Public Funds

**VEHICLE RENTAL CHARGE** - Multnomah County currently collects a 10% excise tax on vehicle rentals. In fiscal year 1991 that tax generated almost \$5 million in revenues for the County's general fund. In Metro's case, a vehicle rental charge tax would apply region-wide. In order to capture the main source of vehicle rental revenue, that originating from the Portland International Airport, a Metro tax would have to be applied on top of the current Multnomah County charge. Estimates of a region-wide 15% tax have ranged from \$11.1 million to \$17.1, including the portion currently collected by Multnomah County. Currently, Metro does not have the authority to levy this tax.

**GREEN FEES** - Certain jurisdiction use or have given consideration to using taxes and fees on certain activities, products or services related to encouraging sound environmental practices, dubbed "Green Fees." These include excise taxes on beer and wine, inclusion of wine and liquor bottles in current bottle deposit programs, container taxes, and tire sale fees among others.



### *Use of Volunteers and Other Donated or Free Services*

Virtually all open space programs throughout the United States make extensive use of volunteers and "Friends" groups to provide maintenance and programming services. Jurisdictions similar in size to Metro report the use of 200-225 volunteers per year to perform services ranging from general clean-up to education and docent activities. The City of Portland Parks and Recreation Department, open space division reports receiving 12,000 hours of donated labor per year.

In addition, most open space programs make use of correctional inmate programs (alternative community service workers) to perform clean up and maintenance services at very low cost. Additionally, it is possible to arrange for summer youth cleanup and maintenance crews funded through the Job Training and Partnership Act, a federally-funded summer jobs program. The City of Portland Parks and Recreation Program received 4,000 hours in services from this source last summer.

### Fund Raising Activities

Although it is inappropriate to rely exclusively on donations as a means to pay annual operating cost, possibilities exist to augment operating resources through fund raising activities, memberships to a greenspaces organization or friends groups affiliated with Metro, "adopt an acre" programs, auctions, and other fund raising activities. Proceeds of these earning could be used to build a greenspaces endowment for use in additional acquisition and capital improvements. An endowment would also be managed to return interest income each year that could be used for operation of Metro's open space areas. Since the projected operating and maintenance costs are relatively modest for the first several years of the Program, this time could be used to build up an endowment that could produce significant interest earnings by the time substantial operating costs are encountered.

### **Greenspaces Program Staffing**

Greenspaces activities are likely to require three staff groups: Planning; Acquisition, and Operations.

#### *Planning*

Metro currently supports 5.5 FTE to perform planning services for the Metropolitan Greenspaces program as follows: 1.0 FTE Regional Planning Supervisor, 2.0 FTE Senior Regional Planners, 1.0 FTE Associate Regional Planner, 1.0 FTE Program Assistant, and 0.5 FTE Secretary. To date, this staff have provided the majority of the staff support for this program, including an analysis of the area's open space land, Greenspace government coordination, Greenspaces education, community liaison, Greenspaces demonstration grants, and project management. It is assumed that most of this work would continue after a successful ballot measure and issuance of general obligation bonds.

The Planning staff would undertake the following activities on an ongoing basis: further definition of areas targeted for Greenspaces acquisition, large site management plan development, trail design, coordination of governmental cooperators and the community constituency, Greenspaces education, and the Greenspaces Master Plan updating. Currently this staff is supported by Metro excise tax and a grant from US Department of Fish and Wildlife. The grant funds are projected to be used by October 1994 and the availability of grant funds after that date is unknown. It is assumed for this analysis that excise tax would be used to support the activities of the grant-funded staff after grant funds are utilized and continue to be used to support the activities of other Greenspaces planning staff. A proposal to continue the Greenspaces Demonstration Grant program with bond proceeds is also under consideration. It is estimated that personal services, materials and services and capital outlay for the Planning staff group would be budgeted at approximately \$500,000 in FY 1993-94 the first full year of Greenspaces program operation.

#### *Acquisition*

Additional staff would be required to manage the open space acquisition and local government share programs. Recommendations are pending regarding staff that may be necessary to conduct research on available land,

negotiate with land owners, perform the various due diligence activities associated with purchasing land, including hazardous waste reports, engineering studies, and other required technical work. It is likely that there will be a role for outside professionals to provide purchased services for items such as real estate brokerage and property title services. In addition, internal central service staff will provide legal and financial support. It is assumed that the costs of acquisition management, including project management staff, required technical work on selected sites, and property closing costs will total 10% to 12% of the costs of acquired land.

The staff positions listed below represent the minimum staff necessary to provide project management for the acquisition program.

Management Analyst Supervisor	This staff person would manage division activities of open space acquisition and implementation of the local share program, as well as managing the contracts related to land acquisition. A background in project management would be a prerequisite for this individual.
Senior Management Analyst	This position would involve examining proposed land acquisitions, work with real estate professionals and representatives from land trust organizations and assist in identifying and negotiating opportunities for trail right-of-ways and conservation easements. This position would be responsible for managing information related to property acquisition including closing documents, technical reports, and other required information. This position would be responsible for managing the local government share program, including negotiation of intergovernmental agreements.
Associate Management Analyst	This position would work closely with real estate consultants to ensure that program objectives are being followed. A primary activity for the Associate Management Analyst would be to monitor local government share agreements.
Secretary	This position would provide clerical support for the unit, maintain project files, and coordinate unit communications.

It is assumed that this staff would start with 4.0 FTE soon after the general obligation bonds are issued and expand by 1.0 FTE Associate Management Analyst in the second or third year of operation. On the basis of an assumed \$200 million bond issue, total costs for this staff, outside professional services, and other related costs would average approximately \$3 million annually over a five-year period. The cost for the acquisition staff and activity is definable as a project cost and, therefore, eligible and appropriate for financing out of general obligation bond proceeds.

### *Operations*

Operation staff would be involved in the maintenance and operation of the open space areas acquired by Metro. As noted previously, it is assumed for the purposes of this analysis that land would be primarily held in its natural state with very little, if any, development. The budget for staff, materials and services, and capital outlays would conform, in total, with the annual costs projected for operations. As shown previously, these costs to range from \$135,000 in FY 1994-95 to \$524,000 in FY 1996-97. Future research must be done to determine the ultimate staffing configuration.

Financial support for operations activities is still under study. As discussed, a variety of alternatives including non-tax and tax resources are under consideration.

*Interpretive/Education Programs*

Full implementation of the Metropolitan Greenspaces Program would include management of interpretive and educational programs designed to enhance and encourage the public's use and enjoyment of the greenspaces system. Regional open space system managers have demonstrated that active participation and involvement of the public in open space areas will discourage inappropriate use of the areas.

Because this type of activity is discretionary in nature, no estimate of the associated funding requirements have been provided. The development of a funding plan for interpretive and educational programs, however, should ultimately be considered in the context of overall funding of Program operations.

**Summary**

The preceding report and the computer model that accompanies it have been prepared to assist Metro in the formation of a funding and financing strategy for the Greenspaces Program. This report is intended to supplement information produced by the computer model as basic information about the Program size, timing, and composition evolves and is refined.

PFM believes that the initial stages of the Program will be an iterative process. Therefore, this report and the accompanying computer model will be modified as the needs of Metro evolve.

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

RESOLUTION NO. 92-1639

Introduced By Executive  
Officer Rena Cusma and  
Councilor Richard Devlin

FOR THE PURPOSE OF SUBMITTING  
TO THE VOTERS QUESTIONS OF  
CONTRACTING A GENERAL OBLIGATION  
BOND INDEBTEDNESS IN THE AMOUNT  
OF \$200 MILLION AND AUTHORIZATION  
TO PROCEED WITH THE FINANCING,  
ACQUISITION, DEVELOPMENT,  
OPERATIONS, AND MAINTENANCE OF A  
REGIONAL SYSTEM OF GREENSPACES

WHEREAS, The Metropolitan Service District has taken a leadership role in identifying remaining natural areas in the region and planning for their protection or potential acquisition;

WHEREAS, Such activities have been and will continue to be coordinated with the affected federal, state, and local governments and citizens in the region; and

WHEREAS, Numerous planning efforts, studies and recommendations have been proposed over the past 90 years to develop a system of interconnected greenspaces for the Portland/Vancouver region; and

WHEREAS, On June 28, 1990, by Resolution No. 90-1261, the Council established a Policy Advisory Committee to assist the Council in coordinating its Natural Areas Planning Program and to develop a regional consensus in the development of a Metropolitan Master Plan; and

WHEREAS, On December 13, 1990, by Resolution No. 90-1344, the Council established a Technical Advisory Committee to assist the Council in coordinating the Metropolitan Greenspaces Program

and Master Plan; and

WHEREAS, On April 29, 1992 a Metropolitan Greenspaces Master Plan Public Review Draft was released for comment through June 15, 1992; and

WHEREAS, On May 28 1992, by Resolution No. 92-1616 the Metro Council stated its intent to adopt a Metropolitan Greenspaces Master Plan; and

WHEREAS, Between April 29 and June 15, 1992 Metro staff have undertaken an extensive public involvement effort to solicit comments on the Master Plan Public Review Draft including:

1. Briefings of the governing bodies of most cities and counties and special parks districts within the Metropolitan Service District Boundary;
2. A series of five public workshops throughout the region;
3. Numerous meetings of the Metropolitan Greenspaces Policy and Technical Advisory Committees;
4. Several meetings with the Greenspaces subcommittee of the Metro City Managers organization;
5. Briefings for the State Agency Council for Growth Issues in the Portland Metropolitan Area, Metro's Regional Policy Advisory Committee, and the Metro City Planning Directors organization;
6. Numerous briefings for civic groups, neighborhood organizations educational and special interest groups.; and

WHEREAS, Significant improvements to the Metropolitan

Greenspaces Master Plan have resulted from this review process; and

WHEREAS, The Metro Council adopted the Metropolitan Greenspaces Master Plan by Resolution No. 92-1637; and

WHEREAS, The Metropolitan Greenspaces Master Plan recommends that Metro seek a regional funding mechanism to assemble, through acquisition and other strategies, and develop a regional greenspaces system and also assume operations and management responsibility for components of the system in cooperation with local governments; and

WHEREAS, On July 2, 1992 the Portland Metropolitan Area Local Government Boundary Commission approved Proposal AF-4 allowing Metro to seek voter approval to acquire, develop, maintain, and operate a system of parks, open space and recreational facilities of metropolitan significance, now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District hereby submits to the qualified voters of the District the question of contracting a General Obligation bond indebtedness of \$200 million. The bonds shall mature over a period of not more than 30 years.

2. That the voters of the District shall in the same measure consider the question of whether Metro may finance the acquisition, development, maintenance and operation of a system of parks, open space, and recreational facilities of metropolitan significance pursuant to ORS 268.312 (1)(c).

3. That the measure shall be placed on the ballot for

the General election held on the 3rd day of November, 1992.

4. That the District shall cause this Resolution and the Ballot Title Attached as Exhibit "A" to be submitted to the Elections Officer, the Tax Supervising and Conservation Commission, and the Secretary of State in a timely manner as required by law.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer

## **EXHIBIT A**

### **Sample Bond Measure**

**Caption:** "Acquire Land to Develop Regional Natural Areas/Park System"

**Question:** "Shall District acquire, develop, maintain, operate regional system of parks, open spaces, recreational facilities, issue \$200 million General Obligation bonds? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of section 11b, Article XI of the Oregon Constitution."

**Summary Statement:** "Metro seeks voter approval for \$200 million in general obligation bonds to buy land, improve, pay related costs for a regional system of natural areas, parks, trails and greenways for wildlife and people. After costs to sell bonds, local governments shall spend up to 25 percent of net proceeds for local park, recreation system needs. Metro shall spend at least 75 percent of proceeds to buy and develop large acre sites, land to restore, and trails. These funds shall not operate or maintain these lands."



Meeting Date: July 23, 1992  
Agenda Item No. 6.3

RESOLUTION NO. 92-1638A



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Parties

FROM: Paulette Allen, Clerk of the Council. *PA*

RE: AGENDA ITEM NO. 6.3; RESOLUTION NO. 92-1638

The Finance Committee report on Resolution No. 92-1638 will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.

Please note the Metropolitan Greenspaces Financial Study is an attachment to staff's report for Resolution No. 92-1639 (Agenda Item No. 6.2).

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

**FOR THE PURPOSE OF CONSIDERING DISTRICT, )RESOLUTION NO. 92-1638A  
POLICY TO ALLOCATE EXCISE TAXES TOWARD )  
OPERATION AND MAINTENANCE OF METRO- )Introduced By Rena Cusma,  
MANAGED GREENSPACES UNTIL OTHER FUNDS )Executive Officer  
ARE AVAILABLE**

**WHEREAS, The Metropolitan Service District has taken a leadership role in identifying remaining natural areas in the region and planning for their protection and potential acquisition; and**

**WHEREAS, Such activities have been and will continue to be coordinated with the local governments and citizens in the region; and**

**WHEREAS, Numerous planning efforts, studies and recommendations have been proposed over the past 90 years to develop a system of interconnected greenspaces for the Portland/Vancouver region; and**

**WHEREAS, On February 9, 1989, by Resolution No. 89-1043, the Metro Council established five specific tasks for regional natural areas planning:**

- 1. Maintain and expand the parks database.**
- 2. Continue regularly scheduled parks forums.**
- 3. Coordinate natural areas planning in the region.**
- 4. Coordinate and assist in the planning, acquisition and development of regional trails, greenways and wildlife corridors.**
- 5. Work cooperatively with local jurisdictions, state and federal agencies, park advocate organizations and the private sector to identify potential regional park and recreational opportunities, potential action plans to preserve,**

acquire and protect key resources; and

WHEREAS, On June 28, 1990, by Resolution No. 90-1261, the Metro Council established a Policy Advisory Committee to assist the Council in coordinating its Natural Areas Planning Program and to develop a regional consensus in the development of a Metropolitan Greenspaces plan; and

WHEREAS, On December 13, 1990, by Resolution No. 90-1344, Metro established a Technical Advisory Committee to assist the Metro Council in coordinating the Metropolitan Greenspaces Program and plan; and

WHEREAS, On April 29, 1992 a Metropolitan Greenspaces Master Plan Public Review Draft was released for comment through June 15, 1992; and

WHEREAS, On May 28 1992, by Resolution No. 92-1616 the Metro Council stated its intent to adopt a Metropolitan Greenspaces Master Plan; and

WHEREAS, between April 29 and June 15, 1992 Metro staff have undertaken an extensive public involvement effort to solicit comments on the Master Plan Public Review Draft including:

1. Briefings of the governing bodies of most cities and counties and special parks districts within the Metropolitan Service District Boundary;
2. A series of five public workshops throughout the region;
3. Numerous meetings of the Metropolitan Greenspaces Policy and Technical Advisory Committees;
4. Several meetings with the Greenspaces subcommittee of the Metro City Managers organization.
5. Briefings for the State Agency Council for Growth Issues in the Portland

Metropolitan Area, Metro's Regional Policy Advisory Committee, and the Metro City Planning Directors organization;

6. Numerous briefings for civic groups, neighborhood organizations educational and special interest groups.

WHEREAS, The Metropolitan Greenspaces Master Plan adopted by Resolution No. 92-1637 calls for Metro to own and operate a cooperative regional system of natural areas, open space, trails, and greenways for wildlife and people within the metropolitan area; and

WHEREAS, On July 2, 1992 the Portland Metropolitan Area Local Government Boundary Commission voted to allow Metro to seek voter approval to exercise District authority to acquire, develop, maintain, and operate a metropolitan greenspaces system of parks, open space, and recreational facilities of metropolitan significance pursuant to ORS 268.312(1)(c); now, therefore,

BE IT RESOLVED,

1. That it is the policy of the Metropolitan Service District to pursue long term funding to operate and maintain a Metropolitan Greenspaces System as described in the adopted Master Plan.

2. That, in the interim, the Council will allocate excise taxes in sufficient amounts to provide for maintenance of Metro-managed greenspaces in a "land banked" state as discussed in the Metropolitan Greenspaces Financial Study.

3. That the excise tax commitment shall be reflected in the District's proposed five-year strategic and financial plans, and the Executive Officer's proposed FY 93-94 Budget.

~~[4. --- That the Council authorizes the Executive Officer to take the actions necessary to allow the District to fulfill this policy and to return to the Council at appropriate~~

~~times with the necessary implementing actions.~~]

ADOPTED by the Council of the Metropolitan Service District the \_\_\_\_ day of  
\_\_\_\_, 1992.

R921638

\_\_\_\_\_  
Jim Gardner, Presiding Officer

## **STAFF REPORT**

### **CONSIDERATION OF RESOLUTION NO. 92-1638 FOR THE PURPOSE OF DECLARING POLICY TO ALLOCATE METRO EXCISE TAXES TOWARD OPERATIONS AND MAINTENANCE OF METRO-MANAGED GREENSPACES UNTIL ALTERNATIVE REVENUES ARE AVAILABLE**

---

Date: July 16, 1992

Presented by: Andy Cotugno

## **BACKGROUND**

Over the last several years Metro has led a cooperative effort to inventory, analyze, and recommend strategies to protect a significant number of remaining natural areas within the four county metropolitan area. After an inclusive plan development process, and extensive public review, the draft Metropolitan Greenspaces Master Plan recommends that Metro acquire land and, as appropriate, assume operations and management responsibilities for regionally significant greenspaces and recommends that a general obligation bond or other funding source be pursued by the Metro Council to fund acquisition of regionally significant greenspaces and associated capital improvements.

Through adoption of Resolution No. 92-1616 the Council took preliminary steps to implement these recommendations. Resolution No. 92-1616 requests the Portland Metropolitan Area Local Government Boundary Commission to allow Metro to seek voter approval to exercise District authority to acquire, develop, maintain, and operate a system of parks, open space, and recreational facilities of metropolitan significance pursuant to ORS 268.312(1)(c). The Boundary Commission authorized the request on July 2.

Resolution No. 92-1616 also requests a tax coordination public hearing before the Multnomah County Tax Supervision and Conservation Commission (TSCC) as required by ORS 294.655 and 1991 SB 1185 prior to the District seeking voter approval of a general obligation bond to assist in financing assembly of a regional greenspaces system. Finance and Administration staff have requested such a hearing, but the TSCC will not schedule the hearing until Council votes to refer a bond and adopts ballot title language. Resolution 92-1639, which proposes referral of a \$200 million general obligation bond and ballot measure language, is scheduled for hearing before the Council Finance Committee on July 16 and with a full Council hearing and action on July 23.

While the above steps address Metro's authority to own, operate, and finance assembly of a regional greenspaces system, a revenue source needs to be identified for Metro to manage sites when we assume operational responsibility. The Metropolitan Greenspaces Financial Study identifies a number of potential revenue sources that could be pursued to provide management funds. Other options also exist that will be explored. However, these funding mechanisms are not available to Metro under its current authority. Therefore, while clearly stating District policy to pursue new long term management funding revenues to operate the Metropolitan Greenspaces System, Resolution No. 92-1638 dedicates a percentage of excise tax revenues, beginning in FY 93-94, to management of Greenspaces assembled by Metro in the interim.

### **BUDGET IMPACT**

The proposed excise tax commitment would be based on the "land banking" level of maintenance as described in the Financial Study. Estimated cost would be \$4,000 in FY 93-94, \$29,000 in FY 94-95, and \$99,000 in FY 95-96 assuming a \$200 million bond issue. The District also has the ability to minimize this financial exposure by acquiring lands where other governments are ready to commit to managing greenspaces with their own revenues.

### **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends adoption of Resolution No. 92-1638.



Meeting Date: July 23, 1992  
Agenda Item No. 6.4

RESOLUTION NO. 92-1650



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503-221-1646

# Memorandum

**DATE:** July 17, 1992

**TO:** Metro Council  
Executive Officer  
Interested Parties

**FROM:** Paulette Allen, Clerk of the Council *PA*

**RE:** AGENDA ITEM NO. 6.4; RESOLUTION NO. 92-1650

The Governmental Affairs Committee report will be distributed in advance to Councilors and available at the Council meeting July 23, 1992. Please note the Governmental Affairs Committee met July 16 to consider the resolution and continued consideration to a special meeting on Tuesday, July 21.

Please note written testimony submitted to the Governmental Affairs Committee by staff/citizens on the resolution and/or received in the Council Department. Testimony is sorted by date (last date first) and alphabetically within the date.




**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Date: July 16, 1992

To: Don Carlson, Council Administrator

From: Daniel B. Cooper, General Counsel 

Regarding: DEADLINES FOR BALLOT MEASURES  
Our file: 2.G

---

You have inquired of this Office what is the last possible time the Metro Council may act prior to the November 3, 1992, election to refer a measure to the voters.

ORS 255.085 requires that any district measure to be referred to the voters must be filed with the district's election officer (the Multnomah County Elections Officer) on or before the 61st day before a district election. Thus, the absolute last day a measure can be filed for referral to the voters would be September 3, 1992. However, different deadlines apply for the inclusion of matters in the state Voters' Pamphlet.

ORS 251.285, and Metro Code Chapter 2.10, govern the inclusion of ballot titles, explanatory statement, and arguments in favor of and in opposition to Metro ballot measures in the state Voters' Pamphlet. The provisions of State law and the necessary implementing Metro ordinances require that the filing of explanatory statements, completion of judiciary review thereof, and the filing of arguments for and against a measure must occur on or before the 75th day before the election. This date is August 20. A time period of 7 business days is allowed for filing petitions to challenge an explanatory statement for a district measure. In order to meet these deadlines, action by the Council, assuming that the Council acts at a regularly scheduled meeting, must occur by the July 23, 1992, Council meeting.

ORS 255.265 separately authorizes the printing of ballot titles for district measures in the state Voters' Pamphlet (but not an explanatory statement or arguments for or against). The deadline for this statute is that the information must be filed by the 70th day before the election, and the deadline for challenging the ballot title must also have passed. The August 13, 1992, Council meeting would meet this requirement since the 70th day before the election is August 25, 1992.

In summary, in order for Council action on referring a District measure to the voters to be eligible for inclusion in the Voters' Pamphlet, complete with an explanatory statement and arguments for and against, the Council must act on July 23, 1992. If the Council takes

Donald Carlson  
Page 2  
July 16, 1992

action at its August 13, 1992, meeting the ballot title alone may be published in the Voters' Pamphlet. If the Council acts at the August 27 meeting, then the measure may be referred to the voters but not be included in the Voters' Pamphlet.

gl  
1591



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

**DATE:** July 16, 1992

**TO:** Governmental Affairs Committee  
Interested Persons

**FROM:** Paulette Allen, Clerk of the Council *SA*

**RE:** TESTIMONY ON RESOLUTION NO. 92-1650

Mr. Don Fritz, citizen, contacted the Council Department today to express his support for Resolution No. 92-1650 because he believed in the consolidation of governmental services and improved communications between entities. He said, entering the 21st century, things could not continue to be done as if we still in the 19th century. He said police and 911 services should be consolidated.

Mr. Fritz said he hoped Tri-Met was being considered for consolidation also and expressed concern about pollution from buses fueled by diesel.

Mr. Fritz said he heard the counties were opposed to Resolution No. 92-1650, but said he believed the current system was no longer economically feasible.



bob hennessy, CRS

July 16, 1992

Board of Commissioners  
Judie Hammerstad, Chair  
Darlene Hooley  
Ed Lindquist

Dear Commissioners:

I am unable to attend the meeting of the Governmental Affairs Committee today at 4:00 p.m. due to a previous engagement.

Therefore, I will briefly express my chagrin and concern over the attempt by Rena Cusma, Tanya Collier and Metro to remove what little control we as a county have over our destiny.

County government is and I hope will remain the last bastion of sound government that is accountable and responsive to its citizens. Though it has its problems like any other organization or governmental agency, I have found over the past 12 years that I've been involved, the citizens do have the ability and skills to make changes.

My fear is that the estimates of savings are nothing more than "blue sky" predictions by someone who's real interest is to form a new "mega-regional" government that will serve her future political aspirations.

Additionally, the voters have not unanimously said to consolidate. They have said do better with less money, and until that has been shown to the taxpayer first, even talk about consolidation is irresponsible.

Further, I do not believe the citizens in Molalla, Canby, Wemme and Beavercreek want to be represented by only one or two out of nine elected councilors. History has shown that the "Power" in the Portland Metro area is controlled by the few, and Clackamas County has usually come in tied for last place.

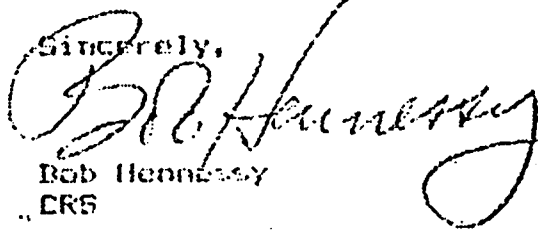


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Page 2  
July 15, 1992

I hope this will not continue, but it most certainly will if this consolidation issue passes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob Hennessy". The signature is written in dark ink and is positioned to the right of the typed name.

Bob Hennessy  
CRS

bh/cg

ADVISORY VOTE ON CONSOLIDATION OF METRO, TRI-MET  
AND CLACKAMAS, MULTNOMAH AND WASHINGTON COUNTIES  
METRO RESOLUTION NO. 92-1650

TESTIMONY OF COUNCILOR LESLIE LIKE,  
CITY OF BEAVERTON

16 JULY 1992

---

I AM LESLIE LIKE, CITY COUNCILOR FROM BEAVERTON. MY ADDRESS  
IS 4755 S.W. GRIFFITH DRIVE, BEAVERTON 97076.

I APPRECIATE THE OPPORTUNITY TO TESTIFY, THOUGH IN ALL  
HONESTY I WISH IT WERE NOT NECESSARY.

THE BEAVERTON CITY COUNCIL HAS ADOPTED A RESOLUTION OPPOSING  
THE PROPOSED ADVISORY VOTE. I HAVE GIVEN COPIES TO THE COMMITTEE  
CLERK, ALONG WITH COPIES OF A LETTER SIGNED BY THE MAYOR AND ALL  
MEMBERS OF THE COUNCIL. IN SUMMARY, OUR MAIN POINTS ARE THESE:

1. THE CHARTER COMMITTEE HAS NOT FINISHED ITS WORK. THE  
COMMITTEE WAS ESTABLISHED BY THE EFFORTS OF METRO AND ITS VOTERS.

IN FAIRNESS TO COMMITTEE MEMBERS, TO PARTICIPANTS IN THE  
PROCESS, AND TO VOTERS, THE METRO COUNCIL SHOULD ALLOW THE  
COMMITTEE TO FINISH ITS WORK, AND SHOULD ALLOW VOTERS TO JUDGE  
ITS PRODUCT, WITHOUT THE DISTRACTIONS AND COMPLICATIONS OF A  
COMPETING MEASURE.

IF THAT CHARTER EFFORT FAILS, EITHER IN COMMITTEE OR AT THE  
POLLS, THE METRO COUNCIL, IN COOPERATION WITH RESIDENTS AND OTHER  
LOCAL GOVERNMENTS, CAN PROCEED AS APPROPRIATE.



2. THE PURPOSE OF THE CONSTITUTIONAL AMENDMENT WHICH CREATED THE CHARTER COMMITTEE WAS TO PUT NOT ONLY THE APPROVAL OF A CHARTER TO THE RESIDENTS OF THE REGION, BUT ALSO ITS DRAFTING. THE PROPOSAL BEFORE YOU TODAY WILL PUT THE DRAFTING OF A CHARTER BACK INTO THE HANDS OF THE LEGISLATURE, AND WILL DO SO DURING A SESSION IN WHICH LEGISLATORS MUST COPE WITH THE EFFECTS OF MEASURE 5.

3. THE EFFECTS OF THE PROPOSED CONSOLIDATION HAVE NOT BEEN ANALYZED. THE EFFECTS OF A PROPOSAL SHOULD BE ANALYZED BEFORE A MEASURE IS PLACED ON THE BALLOT, NOT AFTER. BECAUSE THE EFFECTS ARE NOT KNOWN, THE METRO COUNCIL WILL BE ASKING VOTERS A QUESTION WITH NO FOCUS. ANSWERS TO SUCH A QUESTION USUALLY HAVE NO MEANING.

4. SOME CONSOLIDATIONS ARE APPROPRIATE. HOWEVER, IF THIS PROPOSAL IS DEFEATED BY A LARGE MARGIN, AS SEEMS LIKELY AT THIS POINT, IT WILL BE VERY DIFFICULT TO CONVINCE VOTERS TO TAKE FUTURE CONSOLIDATION PROPOSALS SERIOUSLY. SUCH PROPOSALS WILL BECOME LIKE PROPOSALS FOR A SALES TAX. BECAUSE THOSE HAVE BEEN DEFEATED REGULARLY BY LARGE MARGINS, THEY ARE NOT TAKEN SERIOUSLY, REGARDLESS OF THE SPECIFIC PROVISIONS IN THEM. WE DO NOT WANT GOOD CONSOLIDATION PROPOSALS TO BE DOOMED TO CONTINUAL FAILURE BECAUSE THIS ONE WAS NOT WELL DEVELOPED AND PRESENTED.

THERE ARE OTHER PROPOSALS OF REGIONAL SIGNIFICANCE WHICH ARE LIKELY TO BE AFFECTED BY THE FAILURE OF THIS CONSOLIDATION PROPOSAL. THIS POINT WAS MADE BY NEIL GOLDSCHMIDT IN HIS MEMO TO RENA CUSMA OF JULY 1. NOTING THE POSSIBILITY THAT THE MEASURE COULD BE DEFEATED, GOVERNOR GOLDSCHMIDT SAID, QUOTE, "THERE IS POTENTIAL DAMAGE TO MANY INITIATIVES OF FUTURE IMPORTANCE IF THIS HAPPENS." CLOSE QUOTE. ONE MEASURE WHICH COULD BE AFFECTED IMMEDIATELY IS THE BOND MEASURE FOR METRO GREENSPACES WHICH WILL PROBABLY BE ON THE NOVEMBER BALLOT. IT WOULD BE A GREAT SHAME IF THAT MEASURE WERE DEFEATED BECAUSE OF THE FALLOUT FROM A CAMPAIGN OVER CONSOLIDATION.

IN HIS MEMO, GOVERNOR GOLDSCHMIDT ALSO URGED MS. CUSMA TO DESIGN A PROCESS FOR HEARINGS AROUND THE REGION BEFORE PUTTING ANYTHING ON THE BALLOT. HE SAID, "IF METRO HANDLES THE MEASURE IN A COOPERATIVE, GENEROUS FASHION, THE CHANCES IT WILL PASS WILL GO UP, AND IF IT FAILS, THE DAMAGING FALLOUT WILL BE MINIMIZED." IT IS TOO BAD THAT MS. CUSMA DID NOT IMPLEMENT HIS SUGGESTION. THE METRO COUNCIL STILL HAS AN OPPORTUNITY TO DO SO.

THE CITY OF BEAVERTON STANDS READY TO ASSIST METRO WITH A "COOPERATIVE, GENEROUS" PROCESS TO PLACE WORKABLE CONSOLIDATION PROPOSALS BEFORE THE VOTERS. OUR STANDARDS FOR SUCH PROPOSALS ARE THAT THE RESULTING GOVERNMENTAL UNITS BE ABLE TO:

PROVIDE QUALITY SERVICES,  
CONSERVE TAXPAYER DOLLARS, AND  
MAINTAIN ACCOUNTABILITY TO VOTERS.

IN BEAVERTON, ACCOUNTABILITY IS AS IMPORTANT AS THE QUALITY AND COST OF SERVICES.

I HOPE WE HAVE MADE IT CLEAR: THE ISSUE IS NOT WHETHER SOME CONSOLIDATIONS MIGHT WORK BETTER FOR RESIDENTS OF THE REGION. AFTER CAREFUL ANALYSIS, IT IS LIKELY THAT SOME WILL.

THE ISSUE IS NOT WHETHER METRO RESIDENTS SHOULD VOTE ON THEIR FUTURE. THEY SHOULD -- BUT ON CAREFULLY CONSTRUCTED MEASURES.

THE ISSUE BEFORE YOU TODAY IS WHETHER THIS PROPOSAL, AT THIS TIME, WOULD BE CONSTRUCTIVE. THE BEAVERTON CITY COUNCIL BELIEVES IT WOULD NOT BE, AND WE ASK YOU TO VOTE AGAINST IT.

THANK YOU FOR YOUR ATTENTION. I WILL TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE.



## City of Beaverton

13 July 1992

Governmental Affairs Committee  
Metro Council  
2000 S.W. First Avenue  
Portland, Oregon 97204

Re: Resolution No. 92-1650

Dear Councilors:

We have reviewed Resolution No. 92-1650 and the accompanying staff report. We request that the Governmental Affairs Committee not approve that resolution.

Beaverton has a number of agreements with its neighbors which reduce duplication and help keep down government costs. We are working with the Governor's Task Force on Local Government Services. We will continue our efforts to provide quality services and maintain accountability while conserving taxpayer dollars. We do not oppose consolidations which accomplish those objectives.

We do oppose Resolution No. 92-1650, and any similar proposal. Our reasons for this opposition are set forth in our Resolution No. 3170, a copy of which is attached. In addition, we would note the following:

1. We do not understand the source of the promised 10 percent savings. There appears to be no data, no analysis, no experience from other parts of the country which support it. Consolidation by itself will save very little money, perhaps none.

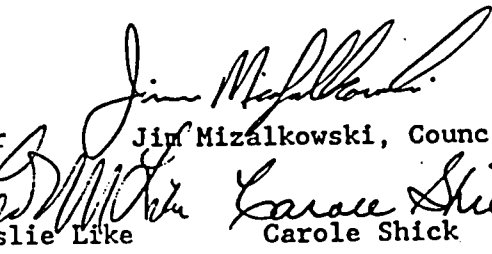
As a result, most, if not all, of the promised savings must come from reduced service levels. That is not made clear in the proposed ballot measure. That may be an appropriate goal, but it is certainly not what is being sold in the proposal submitted by the Metro Executive Officer.

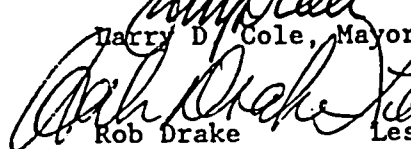
2. We believe that some kinds of consolidation are appropriate. However, if this proposal is defeated by a large margin, as seems likely at this point, it will be very difficult to convince voters to take future consolidation proposals seriously. We do not want good proposals to be doomed to continual failure because the first proposal was not well developed and presented.

Again, the issue is not whether some consolidations might work better for residents of the region. It is not whether metro residents should vote on their future. The issue is whether this proposal, at this time, would be constructive. We believe it would not be, and we ask you to vote against it.

Very truly yours,

  
Harry D. Cole, Mayor

  
Jim Mizalkowski, Council President

  
Rob Drake

  
Leslie Like

  
Carole Shick

  
Forrest Soth

consol05

4755 S.W. Griffith Drive, P.O. Box 4755, Beaverton, OR 97076, General Information: (503) 526-2222

RESOLUTION NO. 3170

A RESOLUTION OPPOSING AN ADVISORY VOTE ON THE  
CONSOLIDATION OF THE THREE METRO COUNTIES, METRO,  
AND TRI-MET FOR THE NOVEMBER 1992 GENERAL ELECTION

WHEREAS, the Executive Officer of the Metropolitan Service District has proposed in Resolution 92-1650 that an advisory vote be held at the November general election on the issue of whether Clackamas, Multnomah and Washington counties, Metro, and Tri-Met should be abolished and a new county created; and

WHEREAS, the City Council has reviewed the proposed resolution and accompanying staff report; and

WHEREAS, the City of Beaverton has a number of agreements with its neighbors which reduce duplication and reduce costs, and will continue its efforts to provide quality services while conserving taxpayer dollars; and

WHEREAS, the Metro Charter Committee has not finished its work, and many people, both on and off the Committee, have invested time and energy in the charter process, and the Charter Committee should complete its work and present it to metro voters for their decision before other efforts are begun, and

WHEREAS, the Metro Executive Officer did not consult with many people who would be affected by the proposed consolidation, including citizens of Beaverton and the elected and appointed officials who work on their behalf; and

WHEREAS, the proposed consolidation would have significant impacts on the citizens of Beaverton, and those impacts have not been examined; and

WHEREAS, the advisory vote would put the drafting of a Metro charter back into the hands of the state legislature, and would do so during a session in which legislators must cope with the effects of Measure 5; now, therefore

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEAVERTON, OREGON:

Section 1. The Council is opposed to the submission of an advisory vote as proposed by the Metro Executive Officer at the November 1992 election.

Section 2. The Council supports consolidations which are appropriate for the citizens of Beaverton, and will continue to participate in efforts to make local government more efficient and effective while maintaining its accountability to its citizens.

Adopted by the Council on 13 <sup>July</sup>~~June~~ 1992.

Approved by the Mayor on <sup>14th July</sup>~~June~~ 1992.

ATTEST:



Sandra L. Ryan, Acting City Recorder

APPROVED:



Larry D. Cole, Mayor

RESOLUTION NO. 3170

consol04

# Dan Saltzman *County Commissioner*

Dana Anderson  
Marcia Atkinson  
Robert L. Bailey  
Michael Barkley  
Fay & Phil Blank  
Karen Blauer  
Phil Bogue  
Lenny Borer  
Milt Carl  
Gale Castillo  
Joe Cimino  
Gerald Cogan  
Jim & Lois Davis  
Tom Deering  
Sebastian Degens  
Lynn Dingle  
Nancy Goss Duran  
Jim Durkheimer  
Judy Erdman  
Jeffrey Farber  
Anne Kelly Feeney  
John Frewing  
David Fuks  
Norma Jean Germond  
Ted Gilbert  
Harry Glickman  
Muriel Goldman  
Paul Hathaway  
Bobby Heagerty  
Kris Heiberg  
Clifford Hockley  
Sheila Holden  
Michael C. Houck  
Kris Hudson  
Al Jubitz  
Judy Keane  
David Knowles  
Ursula K. Le Guin  
Mike Lindberg  
Ellen Lippman  
Nancy Locke  
Susan McAnulty  
Chris McClave  
Sandra McDonough  
Paddy McGuire  
Bill Naito  
Sam Naito  
Gerry Newhall  
Ann Porter  
Steve Rosenberg  
Eve Rosenfeld  
Vic Rosenfeld  
Warren Rosenfeld  
Larry Sanchez  
Lou Savage  
Susan Schreiber  
Paul Schuback  
Mildred Schwab  
Charlotte Schwartz  
Bill Scott  
Howard Shapiro  
Bing Sheldon  
Arden Shenker  
John Sherman  
Michael Sievers  
Keith Skelton  
Thelma Skelton  
Catherine Sohm  
Carl Talton  
Shirley & Hershail Tanzer  
Rena & Marv Tonkin  
George Tsongas  
Harold C. Williams  
Marty Zell  
Ron Wyden

## Statement of Dan Saltzman in Support of Metro Resolution 92-1650 to Ask Voters to Abolish Multnomah, Washington and Clackamas Counties, Metro and Tri-Met, and Create a Single Consolidated Government

July 16, 1992

As a candidate for Multnomah County Commissioner, my priorities are to reduce the cost of government by eliminating duplication of services; to fund human services in a consistent, high quality manner; and to protect prime natural resources and fulfill the vision of a greenway and a wildlife corridor from Forest Park to the coast. I believe that Resolution 92-1650, and the proposed ballot measure, are a solid step towards achieving these goals.

I also support this proposed initiative because it is simple, but bold.

It is bold in asking the bottom-line question : Shall we replace Metro, Multnomah County, Washington County, Clackamas County, and Tri-Met with one governing body that is likely to reduce the cost of government by at least 10 percent?

It is simple in its design to seek voter direction at the broadest level of policy about whether local governments should change the way we do business. If enacted, it would give momentum and direction to all the players who must come to the table and make it work.

This resolution is an attempt to truly structure a regional government to serve the current and future needs and demands of some 1.1 million people and growing; people who face the same problems wherever they live. Most metropolitan area residents care less about who delivers a service, and more that those who provide the service are accountable and cost-conscious.

In addition, the proposed ballot measure preserves the domain of cities and their neighborhoods to respond to local circumstances. The problems we all share -- water supply, transportation, corrections -- should be the responsibility of the regional body this measure seeks.

At the present time, there are task forces, commissions, and a citizens' convention all aimed at finding ways to reduce the cost of local government. My concern is that these bodies may become bogged down in the baggage of the past; looking at what's been tried before, what went wrong; or how other areas have dealt with these problems -- without finding solutions that are a suitable face lift to our region.

This initiative should be supported because it does not attempt to dust off old studies, point fingers or find blame for why past efforts have failed. It is a forward-looking step that is greatly needed.

*Authorized and Paid for by Friends of Dan Saltzman*

P.O. Box 80182, Portland, OR 97280 • Phone 225-9060 • 293-0414

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**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

**DATE:** July 16, 1992

**TO:** Dick Engstrom, Deputy Executive Officer

**FROM:** Jennifer Sims, <sup>JS</sup>Director of Finance and Management Information

**RE:** Election Costs

You have inquired as to the costs of adding the consolidation proposal to the November 1992 ballot. Attached is a memo, dated July 1; which describes the methodology for determining election costs. As indicated in the memo, the total cost of the election is divided by the number of voters in each jurisdiction to determine its allocable share. As long as Metro has at least one district-wide ballot measure, an additional district-wide measure would not result in significant additional costs.

JS:kc  
Attachment

c:\wp51\karen\js-memos\engstrom.js



METRO

2000 S W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 1, 1992

TO: Jennifer Sims, Director of Finance and Management Information

FROM: Christopher Scherer, Financial Planning Manager

RE: ELECTION COST

The billing of election costs is regulated by Oregon Administrative Rules, Chapter 165, Division 20 -- Election Divisions. The methodology for determination of election cost is as follows:

1. Total County election expense is divided by total County registered voters to determine Cost per Registered Voter.
2. Cost per Registered Voter is multiplied times the number of registered voters in each Metro district that is undergoing an election to determine the district's allocable share.
3. Each district's allocable share is added together to determine Metro's election cost by County.
4. Costs are also allocated to each City but the City's costs are absorbed by the County unless such election is a special election. The costs of statewide ballot measures are borne by the State.

Questions have been asked regarding the much higher costs in Multnomah County. Apparently Multnomah County's apparatus and process result in these higher costs.

Karen Feher is preparing a complete review and analysis of this spring's election costs and the bases for Metro's allocated portion.

cc: Karen Feher



July 16, 1992

Robert G. Stochosky  
47811 S.E. Dowling Road  
Sandy, Oregon  
President of Firwood Neighbors Citizens Planning  
Organization

I am the elected president of Firwood Neighbors CPO. and as is the case with similar organizations in Clackamas County, we work closely with the county commissioners and staff members; advising them of community concerns and providing input, when the occasion requires, on land use and planning issues. We beleive that we have a good working relationship with our elected officials. The land area of our CPO is seventy one {71} square miles. The land use zones are for the most part forest and agriculture, with some limited commercial and rural residential uses.

We do not look favorably upon resolution 92-1650.  
review of this resolution generates the following comments from our Board of Directors:

1.] Ref. page 1, resolution; Passage of ballot measure 5 was an expression of voters outrage at high property taxes and should not be viewed exclusively as discontent with local government, don't overlook the fact that the largest portion of those property taxes go to support schools.

2.] Ref. page 2, resolution; The wording "will provide for at least a 10% reduction in total expenditures" is clarified in Exhibit A Summary Statement. The total expenditure reduction is now limited to the first fiscal year. Sorry folks , but this looks like smoke and mirrors to us.

3.] Ref. page 2, resolution; In our oppinion the elimination of 29 elected and 7 appointed officials and replacing them with 10 elected officials will certainly not make government more accessible and accountable. From our view this proposed resolution will increase the size and power of the beaucracies, adding additional frustration to volunteer groups such as ours, and serve to insulate those ten elected officials from the public at large. Big government guarantees the greater empowerment and expansion of the beaucrocies. Beaucrats whose positions are usually secured by civil service rules tend to be less sensitive to the desires of local citizens.

4.] Ref. page 2, resolution; When the resolution states that this is to be submitted to the "qualified voters of the ditrict". Are we to conclude that this resolution will be subject to vote only within the MSD ? Large portions of Clackamas, Washington, and Multnomah Counties lie outside the MSD boundaries. Are the people who live in these areas to have no voice or vote on this issue ? We would suggest to you, that for any vote, advisory or otherwise, to be valid it should be a vote of all the people and all of the property within the area. Such a vote could be formulated along the lines of an LID so that more equal weight would be granted to the less densely populated areas.

Thank you for you for your time and patience

**Charles A. Stoudt**  
**2171A SE Moores**  
**Milwaukie, Or 97222-7351**  
**(503) 654-8577**

Comments before Metro's Governmental Affairs Committee.  
July 16th, 1992.

My name is Chuck Stoudt. I am a resident of Clackamas County. I am a Doctoral student in public administration and policy in the school of Urban and Public Affairs at Portland State. My previous undergraduate and graduate education is in political science. I teach American Government and am an advisor on political campaigns. I have had a long standing interest in intergovernmental relations, particularly regional government.

I wish to make a few points. First, however, I wish to commend the Chair of this committee, the executive officer and members who are supportive of this resolution. You demonstrate a rare quality for public servants, political courage and vision. The representatives from Clackamas County and some from Washington County, by contrast, portray politics as usual playing on unwarranted fears and motivated by their own political ambition at the expense of the taxpayer.

The first point, as I am sure is clear, is that this resolution merely provides the citizens of the area with the opportunity to express their will. The question of consolidation has been bandied about since the turn of the century. The motivation then as now has been twofold: obtain economic efficiency and enhancing accountability. The resolution before you would achieve those goals.

The second point is that change is difficult. Change causes anxiety and fear. Because of the diminishing resources available to local government, both because of Measure #5 and reductions in transfer payments from federal and state sources, it is imperative that new solutions be found. Now is the time to demonstrate political courage and vision. The message of Measure #5 was not a blanket criticism of all services of all governments. It was simply an expression of a desire to reevaluate where we are, and give serious consideration to the priorities as they have incrementally developed. Again, the resolution before you is an acknowledgment of the people's will.

The final points are that elements of consolidation are in practice today and the need for regional solutions transcends the artificial and antiquated boundaries established more than a hundred years ago that only serve drive the cost of government up and suffocate rational decision making. There is a need to look to the future. Seldom in people's lives are they provided with the exciting opportunity to reconstruct their government in order to meet the needs that exist now and those that can reasonably be anticipated. Examples are: preserve the regions green spaces, replace the decrepit juvenile correctional facilities, establish a real law enforcement system with the capacity to incarcerate those convicted, anticipate and provide for the long term health needs of an aging population, develop methods of financing maintenance and repair of the region's roads, and decaying bridges, give the civil servants pride in their work by being part of a coordinated regional mission instead of isolated local jurisdictions and most importantly give citizens a chance to determine the form of government they wish while eliminating the meaningless patchwork of overlapping jurisdictions. I am confident that the savings sought exist. The present structure, as evidenced by the resistance of some elected officials, will not provide that hope for the future. While tight financial conditions often lead to greater conflict, it is time to set aside private political agenda's and look to what is best for the community as a whole. The resolution before you presents that opportunity to the voter's. They are, I assure you, intelligent enough to decide. Let them.

**CITY OF GRESHAM**  
**OFFICE OF THE MAYOR & CITY COUNCIL**

Gussie McRobert, Mayor

Bernie Giusto, Council President

Jack Gallagher, Councilor, Position 1  
Jo Haverkamp, Councilor, Position 4

Barbara Wiggin, Councilor, Position 2  
Bernie Giusto, Councilor, Position 5

Joel Malone, Councilor, Position 3  
Jack Adams, Councilor, Position 6

July 15, 1992

Tanya Collier  
Presiding Officer  
Metropolitan Service District  
Metro Center  
2000 SW First Ave.  
Portland, Oregon 97201-5398

Dear Ms. Collier & Council Members:

The Gresham City Council has considered the proposed Metropolitan Service District Resolution No. 92-1650, which proposes an advisory vote on whether Clackamas, Multnomah and Washington Counties, Metro and Tri-Met should be abolished and a new county created. It is our position that this matter is too important an issue to rush into quickly. That the interests of the people of the Portland Region would be better served if more time is taken to evaluate this idea, as well as to educate the public about the issues involved. This is particularly pertinent given the status of the nearly completed draft Metro Charter.

Therefore, we recommend that Resolution No. 92-1650 be tabled until after July 30th in order that the Metro Charter Committee may complete its assigned task. This would allow the public an opportunity to compare both proposals, while the added time will provide a needed opening for the Region's residents to become better acquainted with the provisions of the proposed resolution.

Sincerely,



GUSSIE MCROBERT  
Mayor

C: Members of Council  
Mike Casey, Gresham City Manager  
Liberty Lane, Assistant to Gresham City Manager  
John Andersen, Office of Strategic Planning  
Marleen Sperr, Mayor and Council office



CITY OF  
**PORTLAND, OREGON**

OFFICE OF THE MAYOR

Office of  
J.E. Bud Clark, Mayor  
1220 S.W. 5th  
Portland, Oregon 97204  
(503) 823-4120

July 14, 1992

Mr. Donald E. Clark  
Chair - Public Safety Committee  
c/o METRO  
2000 S.W. First Avenue  
Portland, OR 97201

Dear Don:

I appreciate your offer to have me testify before your committee on public safety and law enforcement issues. Unfortunately your July 15 meeting is scheduled the same time as a City Council session; and Friday, July 17, I will be in Bend speaking to the Chamber of Commerce.

I did, however, want the opportunity to place the City Council's position on law enforcement and public safety on the record.

I've read with interest the comments of Chief Potter and Sheriff Skipper regarding reorganization of law enforcement functions. However, I don't believe they are the proper step at this time.

Long term, I agree with the "Willamette County" concept and believe we should push the governments in our region toward that form. The majority of the Council supports that concept, although certainly the details need to be refined.

The reorganization of general purpose governments in the region should be the driving force to reorganize law enforcement. Until the larger reorganization takes place, we would create greater inefficiencies and less accountability by spinning off police under some new elected or appointed board.

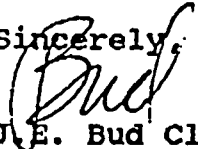
The City Council is firmly on record from our deliberations with the County last fall, that Portland and Gresham should assume all the patrolling operations in the County and the Sheriff should operate the jails and provide other specialized public safety services. This direction we believe follows Resolution A adopted by the City and the County in the mid-1980's.

We are convinced implementation of Resolution A for law enforcement would save the taxpayers up to \$2 million per year and give us more efficient service.

Mr. Donald E. Clark  
July 14, 1992  
Page 2

Again, thank you for the opportunity to be part of your deliberations. Let me know if I can provide further information for you.

Sincerely,

  
J.E. Bud Clark  
Mayor

JEBC:dt

cc: Portland City Council  
Multnomah County Board of Commissioners  
Mayor, City of Troutdale  
Mayor, City of Wood Village  
Mayor, City of Fairview

8604 S. E. 72nd Ave.  
Portland, OR 97206-9411  
July 13, 1992

To  
Metro Council, concerning  
Consolidation Plan, NO. 92-1650

(I live in Clackamas County)  
(though Portland is in my address)  
I'm very violently opposed  
to your plan to abolish  
three counties - including  
Clackamas - to make one  
big county.

I have lived in this  
county since 1941 and don't  
want it to be abolished!!  
I want it to retain the  
county government we have  
now.

Metro has always been  
against the people. You  
are always trying to get

more money out of us,  
 trying to get more powers  
 and spending money like  
 water (where you don't  
 have a limit on water.) You  
 spent a lot to get your  
 luxurious offices - I  
 know you're not in there  
 yet.

This is another scheme to  
 get more money. Clackamas  
 County and Washington  
 County taxpayers would  
 shoulder the cost burden!!!

If you want to abolish  
 Metro, Tri-Met, Washington  
 and Multnomah Counties -  
 if they want to go along  
 with you, fine!

But, PLEASE, leave  
 Clackamas County alone! I



(3)

want us to have our own  
Clackamas County government.

In my opinion, you  
were entirely "out of line"  
when you planned all  
this without even  
consulting our Clackamas  
County government.

So, PLEASE leave Clackamas  
County out of your plan  
for Metro, Tri-Met, Washing-  
ton and Multnomah Counties.

PLEASE Clackamas County  
alone, with our own local  
County government.

Respectfully,

Leatha D. Perkins  
I'm not able to come to the meetings.  
Phone 774-2284

# City of GLADSTONE

— — — — —

July 8, 1992

Metropolitan Service District  
Governmental Affairs Committee  
2000 S. W. First Avenue  
Portland, OR 97201-5398

RE: Metropolitan Service District Resolution No. 92-1650

The Gladstone City Council has carefully evaluated Resolution No. 92-1650 introduced by Rena Cusma, Executive Officer, and Councilor Tanya Collier of the Metropolitan Service District. As you know, the resolution calls for "submitting to the voters the question of whether legislation should be adopted to authorize the voters to abolish Multnomah, Washington, and Clackamas Counties, the Metropolitan Service District, and Tri-Met, and create a single consolidated government."

Please note that the city of Gladstone's efficiency depends in part on providing services through extensive intergovernmental cooperation with Clackamas County. Consolidation of county government could significantly affect the city's ability to efficiently deliver services.

Only in response to our request did the city of Gladstone receive a copy of the resolution and a report nine days prior to this matter being considered by the Governmental Affairs Committee on July 16, 1992. Evidently this proposal was intended not to be widely distributed and subject to comment prior to its consideration by the Metro Council.

The resolution and brief report attempts to justify the proposal based generally on unsubstantiated comments regarding government consolidation. This proposal does not reflect substantive, objective and professional analysis. Such analysis may conclude that the public could benefit from consolidated government. However, the analysis could easily conclude that "bigger is not better" since smaller governmental units are closer to their constituents and therefore more capable of resolving discontent expressed through voter approval of Ballot Measure 5.

City Hall  
525 Portland Avenue  
Gladstone, OR 97027  
(503) 656-5223

Municipal Court  
525 Portland Avenue  
Gladstone, OR 97027  
(503) 656-5224

Police Department  
535 Portland Avenue  
Gladstone, OR 97027  
(503) 656-4253

Fire Department  
525 Portland Avenue  
Gladstone, OR 97027  
(503) 656-4253

Public Library  
135 E. Dartmouth  
Gladstone, OR 97027  
(503) 656-2411

Senior Center  
1050 Portland Avenue  
Gladstone, OR 97027  
(503) 655-7701


City Shop  
18595 Portland Avenue  
Gladstone, OR 97027  
(503) 656-7957

Metropolitan Service District  
Governmental Affairs Committee  
July 8, 1992  
Page Two . . . . .

Voters depend on their elected officials to properly evaluate all public policy issues through an open democratic process. The Gladstone City Council is seriously concerned that this proposal may reflect political and financial interests of a few individuals rather than the public interest. This is an excellent example of why Metro's Chief Executive Officer should be subject to appointment and dismissal by the Metro Council.

The Gladstone City Council is very disappointed with this poorly conceived proposal introduced by Rena Cusma and Tanya Collier and strongly recommends that it be rejected.

CITY OF GLADSTONE

  
Wade Byers  
Mayor

64 7/2/92

TESTIMONY GIVEN BEFORE THE  
METROPOLITAN SERVICE DISTRICT  
on  
METROPOLITAN SERVICE DISTRICT RESOLUTION NO. 92-1650

TESTIMONY GIVEN BY: Robert D. Carnahan  
18490 S. Holly Lane  
Oregon City, OR 97045  
655-8536  
Field Section Chief, Clackamas County Fire  
District; President, North Clackamas County  
Chamber of Commerce

R.D.C.

As a citizen of Clackamas County, an employee of a unit of local government and the President of 600 member Chamber of Commerce I address you. The resolution being considered at this time is important. Efficient, cost effective governmental operations are important, however not more important than citizen involvement and participation in the governing process.

No one is in favor of wasteful governmental practices. The most cost effective and responsive form of government should be sought in any region. However a mega-county will be neither more cost-effective nor more responsive to its constituency than what Clackamas County currently has. The ballot measure has merit in that it clearly gives the voter the opportunity to say no to such a poorly fashioned attempt at social planning and governmental control. This ballot measure has more dominate appearances of political control issues than of concern for the fiscal trappings it is wrapped in. I encourage the placing of this ballot measure before the electorate. I feel that the results of such an election will show that Clackamas County voters support their county government and not the formation of a mega-county.

This measure should be defeated at the ballot box. All voters within Clackamas County should have an opportunity to participate in the election. Further, only a majority vote of any one County should result in its inclusion in a mega-county.

Clackamas County is involved in many joint ventures with other jurisdictions both within the County and region. Cost savings are being realized while at the same time responsive elected officials are providing feedback to their constituency. Perhaps it is not the most effective way to govern but citizens have more meaningful input into the governing process than would be afforded in the proposed mega-county. We are proud of our County's accomplishments and will work toward it having a meaningful future in this region.

Yes, place the measure on the ballot. Stipulate that a majority of the voters in any County must vote in the affirmative before their County would be included in a mega-county. Require that all of voters in the affected counties have a vote on this issue. Finally, applaud the voters of the region as they support their local governments in the upcoming election.

Post-It™ brand fax transmittal memo 7671		# of pages = 2
To Marilyn Wall	From Rob Carnahan	
Co. For Metro	Co.	
Dept Accounting	Phone #	
Fax #	Fax #	

## COMMENTS

Mary Tobias  
June 30, 1992  
Lake Oswego Public Hearing

Mary Tobias said that I am not going to be here on Thursday night. I am sorry that more of our Committee is not here. I am officially resigning from the Committee, regretfully and reluctantly. It is not something that I really want to do, but it's real hard to attend meetings when I am in Eastern Europe. And I postponed that trip deliberately thinking that we would beat the July deadline. So, I don't know how much time I will have tomorrow to write a speech, so I am going to take a little bit more of your time if you will oblige me and, give to you, who are here, some of my impressions. I think I will go back in time, to July of last year, when the Timothy Lake for Washington County was held and the topic of the conference was the Metro Charter. Actually, it was not really the topic of the conference, but it became the topic of the conference by default. As you know, the participants of the conference are local, elected officials from all over cities and counties and I was invited as the head of the county's economic development agency--sort of an unofficial agency. I have participated and have been at the conference when I was the mayor of Sherwood. The cities and the counties were apprehensive at best about the Metro charter and there was a lot of conversation about what can happen and will happen and can we see that it does not happen. I think there has been a lot of lack of candor in this process. I am going to be really quite frank with you. There were turf issues. There was concern. There was apprehension. There was a very strong feeling, in my opinion, that this is another massive Metro take over--another one where it is going to come at us sideways. And believe me, after four years of experience with this agency, and a strong commitment to regional government and to Metro as the regional agency, I will tell you that what you heard from RGC tonight is true. You can doubt it, you can shake your head, you can scratch your head, but it is the truth. Things do not come to the regional table in a direct line from that agency. I feel that I had a great deal of impact at Timothy Lake last year convincing Washington County's cities and county that there was more to be gained by being part of the process--being active, being supportive, being a partner--that they had more as a county to gain than they had to lose. And that, through time, through the process, and by being there as a participant, and not waiting until the end to come in and bash and destroy and to be anti, would be in the best interest of the county and the cities and the region and the state of Oregon. And my cities bought off on that. And I think that Mike McKeever is absolutely right. They have acted in good faith. Not only did Washington County say that it is not good enough for Washington County to be pro-active, it has to be regional. It has to be the cities and county of Clackamas and the cities and county of Multnomah. It has to be everybody working together to shape the future. As you know, or some of you know, last Thursday I went to Metro to plead with the Metro council to be active, and not reactive, to be part of the process, because of the time to be part of the process is almost gone. It has almost run its course. I have talked with Rena, telling her that I am concerned about what happens to this. I think, if there is melt-down on this process, and we are not successful as a committee on shaping a document to go to the ballot at some time, the ramifications for this region, and everybody knows they'll be great, and for Metro, they will be the greatest. In my opinion, Metro has everything to lose and, in my opinion, the thing that they have the most to lose is their existence and I think that will happen to them. I have talked to the cities in my county, I did not talk to RGC, and expressed my concerns. I talked to Hardy at length to express my concern. I asked over and over again for Metro and RGC to sit down together at the same table, where they have never been through this whole process, to talk about those things that still need to be resolved to get to a document. As you know, I was quoted in the paper as saying that perhaps we are not ready for a November ballot. I am not nearly so unhelpful now as I was two weeks ago. I think that you have heard some very compelling testimony and I think that you can reach a final document. I think it would be a grave mistake not to

put something on the ballot, because it would be a big error. I urge you not to do that. Tom Walsh said tonight said to you that he's optimistic about cooperation between Metro and Tri-Met. I am not optimistic. I am furious. I am absolutely livid. I have been furious since three o'clock this afternoon when I got a call from the Portland Chamber of Commerce telling me that Rena Cusma is holding a press conference tomorrow morning to propose a three county merger and a Tri-Met/Metro merger. I have been played for a fool. I have been lied to, I have been manipulated, and I have been mistreated and abused by this government. And I am furious. And every one of you at this table ought to feel that way too. It is inappropriate, it is back-handed, it is sneaky, it is slimy. And there is not one of you here who should stand for that kind of treatment and there is not one of you here that should any longer believe that Metro is interested in a partnership. When a presiding officer of that government comes in and tells you that local government and Metro are working together and presents you with a charter that does nothing that sanctifies status quo, with one exception, I think expanding taxing authority, you have to ask yourselves what kind of partnership is this. And, what kind of government is this? That draft has been in the works, we were told, for three to six months. If that is true, that draft ought to have been before this body. You have been played for fools. I do not know about the rest of you, but I do not play games and I think you know that. I have not played games running around in little circles behind your backs. I have not been parts of little cliques. I have been at this table publicly with my position on every issue that we have addressed. I have fought fairly and cleanly for the things that I believe in. I have conceded those things where I have been in the minority and I have not tried to stab one of you in the back. How anyone could think that it is in the best interest of this region to sanctify that government and that structure that allows an executive officer to propose a entire change in the government structure of this region without even discussing with the presiding officer of that council, and then tell us that nothing is broken? That is absolutely insane. They are so enmeshed in projecting themselves from anything that might change the next meeting of the Metro council, that they are totally blind, totally blind, to the shortcomings of government or their own organization. And yet the government of our cities and our counties have come in here and said to you constantly there are things that can be done better, there are better ways to do it, we know there are, we know we have things to give up, but we believe there is a bigger purpose. And they have given up a lot. They have given up power. They have given up turf. They have given up authority. They have a process, a process mind you, that will bring people in this region to the table, and they get slapped down. Well, my friends, you have an enormous chore in front of you. It is an enormous undertaking, because Metro will fight tooth and nail to defeat you no matter what you do. They have set you up to fail. And I am truly, I am truly feed-up because I believed that they were right, and they are not.

Governmental Affairs Committee  
July 2, 1992

Testimony Transcript

Marilyn Wall  
500 NE Multnomah Ste 700  
Portland, OR 97232

Good afternoon, my name is Marilyn Wall. I live at 3385 SE Aldercrest Road in Milwaukie, Oregon. I am here in an individual capacity and as Vice President of Governmental Affairs of the North Clackamas County Chamber of Commerce. I have submitted to the clerk, who I believe has distributed to you, the written testimony of Robert D. Carnahan, who is Section Fire Chief of Clackamas County Fire District No. 1, as well as President of the Chamber.

Mr. Carnahan has authorized me to speak on behalf of the Chamber here today. The Chamber's position would be essentially that yes, this is an important issue. This is an issue that merits study and determination by the regional government in partnership with the local governments that are affected. Yes, this is an issue that should be voted on. It should be voted on by the electors of not only the region, but all of the affected areas. In our county the area that Metro serves is not co-terminus with the boundaries of the county. Tri-Met and Metro and the County are not the same. There are many different constituencies therefore, that are, or would be affected by this ordinance. The way that this ordinance is proposed, you will not know if people are voting, no they don't want any more Metro, no they don't want anymore Clackamas County, or no they don't want anymore Tri-Met. In that way alone, it is defective if your intent is to give them an option to determine that. This is not the appropriate ordinance to submit to the people on this issue.

We would recommend that this government which has planning authority and which we pay dollars to you for planning services either do one of the following or a combination of them:

You engage a task force which will do a study of it and come up with a real plan that gives us as voters the options, the dates, the costs, and what will actually come out of it. It is well intentioned, but do not throw something that is well intentioned but meaningless at the public at this time. The regional government needs to foster its responsibility, not abrogate by throwing things of this nature to the voters. Second of all, when we were looking to put a regional parks district in our county, the process that was followed proved to be beneficial and it ultimately allowed passage of that type of special district, which if any of you are familiar with Clackamas County will know passing a special district could be somewhat difficult. What they did was they first of all, talked to the people, the people who were going to be affected by this. The people who were going to pay. They called people, they said, "do you want a parks district," not, "do you



want a park or parks district," because such a simple question cannot be answered correctly. They had a list of questions and they went through it with the electors. They said, "if you want one, what are you willing to pay for it, how do you want it structured, what features do you want? If you don't want one, why don't you want one and what can we do to make you want one?" They took that information, they accumulated it and they presented a ballot measure that passed. They got tax dollars for it which in itself is incredible. So, I think you have to look at using the proper method of doing this.

Don't be put-off by the Ballot Measure 5 argument. Constitutional amendment 11-11 is not about necessarily limiting government spending. What the people said is they don't want their property taxes paying for education and they don't want inefficiencies in government. This proposal will not deal with the inefficiencies of government and it will not encourage confidence in the regional government. The regional government needs to have efficiency, professionalism, and proficiency in dealing with these problems. To throw a measure that is this abbreviated at the voters is not as responsible as regional government can be with the planning abilities that it has.

To just simply say we are going to reduce expenditures 10%, what is that? We are going to reduce services 10% because those are expenditures? Are we going to reduce overhead 10% and for how long are we going to do that? That is what the flaw is in putting a question out of this nature.

I would ask that this subcommittee consider appointing a task force or doing some other studies in order to put before the voters an appropriate measure relative to this. The time is now, the Executive is correct, the time for reconsideration of consolidation of governments is here, but this is not the mechanism for doing it.

Questions followed.

Larry Derr  
2300 US Bancorp Tower  
Portland, Oregon

My name is Larry Derr. I also have been serving on the Charter Committee. The relevance of that to my remarks is the things that I have heard and some thoughts that I have formed during that year's process that I want to share with you.

I want to, well let me make it clear at the outset, I am here to urge you to leave this proposal where it belongs on the table in your committee and not out to the Council, let alone put it on the ballot. The proposal that you have before you, if you feel that it is a real proposal then you're naive. I don't think the reasons for that can be stated any more clearly than they were by Ms. Wall, your first speaker. I had no idea what she was here to say or what she was going to say but I found myself saying, yes that is

absolutely right. You can not take an issue this large and this complicated and reduce it to the measure that is described in this resolution and expect any kind of a meaningful response. Interestingly, I am perfectly convinced that the response you will get will be a resounding no. And yet, I say that you will not get a meaningful response even knowing that's the response you will get. I think you might find that if you did the homework, did come up with a proposal that told people what they were going to get if they said yes, that you might get a different answer. But you are not going to get it from this kind of a measure.

So what are the options that I see before you? To take the label of being naive if you choose to put this out to a vote, thinking that it's going to tell you anything or tell the legislature anything. Or if you're not naive then there has got to be an ulterior motive. You have heard what that ulterior motive might be. I share a concern that might be the case as well. I'm not prejudging because it's not this committee that has brought the proposal forward. You have the opportunity to decide what to do with it. But I will judge based upon what you do with this proposal.

Finally, I want to share with you the tenor of the testimony that we have heard about the role of Metro in the region and its role in the future. It covers the spectrum, there's no question about that. We have heard people who are supportive of the present role of Metro. We have heard a few, Don Clark was one of them, who sees a need for an expanded regional government in place of the counties and perhaps some of the other regional governments within the region. I'd have to say that that testimony was definitely not in the majority. We've heard a lot of testimony from people who have said, coming from a variety of directions, and a variety of backgrounds, "we don't want anymore government, get rid of Metro for us please and we will be quite happy with the result that you come out with with this Charter operation." The Charter Committee has not come up with that kind of proposal and I'm not going to debate that with you although I guess some of you don't share that view.

I want to impress upon you if you haven't been talking to people, not necessarily from Portland and Multnomah County, but from Washington and Clackamas County and particularly from a bit outside of the urban areas of those counties, that not only are they totally opposed to this kind of an idea, but they are emotionally committed, vigorously committed to it. Some of those people are ones, and we heard from a few of them, had a major role in Ballot Measure 5. They are the kind of people who have the time and the energy and the conviction to get out and do something about it at the ballot box. Frankly, what I would expect to see happen if this came out of that Committee is that those kind of people would be going to their County Commissioners. They would be saying, "now wait a minute, this is a vote that is only for those people within Metro's Districts and yet a substantial number of the voters within Washington and Clackamas Counties would be disenfranchised by this

advisory measure because they would not have a chance to vote for it." So they would say to those commissioners, "we've got to have a chance, put something on the ballot from the county," which the counties have the authority to do, and in a general election as I understand it, it isn't all that expensive. Frankly, I suspect that the measure they would like to see on the ballot would be. "Do you agree that Metro should be abolished?" Whatever the measure is, it is going to be one that is probably going to get the same kind of a negative result because it is going to be a gut reaction type of an issue, one that doesn't involve any substance.

For all of those reasons again, I would urge you, this is not the way to go about this issue.

Questions followed.



VIA FACSIMILE, 273-5552

TO: Rena Cusma  
Metro

FROM: Neil Goldschmidt

DATE: July 1, 1992

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Given events as they have progressed since I saw you, I thought I'd follow up with a note. Since I have not consulted the members of the Task Force, these opinions are only my own. In order to feel good about how this referral will be taken, I think the following tests need to be met:

1. The metro-county measure needs to complement, not negatively impact, the Governor's refinancing efforts for schools and other public services (tax measure).
2. In order to achieve this goal, every effort must be made to avoid squabbling between your government and the counties, Tri-Met, etc.
3. As you design a hearings process, I would again urge you to invite the governments you propose would merge in the new government to sit with you in hearings around the region before Metro votes to place anything on the ballot. The hearings might indeed produce some good ideas and perspective.
4. The Task Force's charge, as I understood it from Governor Roberts, was to seek efficiencies in local government services. The task force life is short (45-90 days). We are focused on sources for near-term savings and efficiencies, and do not have either the time or resources to also study the "Willamette County" idea.
5. The presence of the "Willamette County" measure on the ballot is not an excuse for any government not to work to implement any savings we can identify. Personally, I do not see that the ballot measure would disrupt or deter our work, and therefore, I have no reason to discourage it.

6. Because it has been given little "run-up" visibility to our citizens, there is some possibility that it could be defeated on the November ballot. There is potential damage to many initiatives of future importance if this happens. If Metro handles the measure in a cooperative, generous fashion, the chances it will pass will go up, and if it fails, the damaging fallout will be minimized.

## Views

### Metro is necessary

Whether your address is Oregon City, Milwaukie, Gladstone or anywhere else in north Clackamas County, like it or not, you live in the Portland metropolitan area.

Livability issues such as traffic, pollution, water quality and quantity, affordable housing and jobs cross city boundaries.

Factors that affect these issues in Multnomah and Washington counties have a similar effect in our neck of the woods. This is especially true in unincorporated areas of Clackamas County.

A lack of housing in surrounding areas will force people into Clackamas County to find shelter. Air that is polluted in Multnomah County often drifts toward us. Heavy traffic in neighboring counties means more congestion on our streets.

We're all in this together. And we all need to come to grips with this reality in order to properly manage the awesome growth that is expected in our region.

That's why the concept of a regional government like Metro makes sense for this area.

We realize small communities like local control. And we understand Metro appears to threaten that control.

But many of the issues our local city councils, commissions and planning departments deal with today are really regional issues. These issues need to be dealt with on a regional basis, with each area having representation.

Clackamas County is represented on the Metro board. And if Metro's power in our region increases, we would expect that our representation will increase accordingly.

From a public relations standpoint, Metro has two strikes against it.

First, it is a "larger" form of government that threatens to gobble up smaller, more popular governing bodies.

Second, it's a new form of government, the likes of which this nation hasn't seen before. That doesn't play well in an age in which government is plagued by an image of being inefficient and untrustworthy.

Metro adds another layer of government to our tax rolls and must avoid duplicating services in order to be accepted. It's a unique entity and needs to have a unique function.

Other major cities in this nation such as Seattle and Los Angeles didn't have a regional government.

Now, we have people moving into our region to escape the lousy conditions, overcrowding, gridlock and lack of open space that have robbed those once desirable places of their livability.

The status quo didn't work in other metropolitan regions and it won't work here.

We need to cut new ground and a regional government is a good way to do that.

Together we can make Metro work and keep it in check at the same time.

# Consolidation plan merits close look

A new plan to consolidate the operations of Clackamas, Washington and Multnomah counties along with Tri-Met and the Metropolitan Service District is taking shape. And the usual political battle lines are being drawn.

This latest plan, unveiled last week by Metro Executive Rena Cusma and Metro Council President Jim Gardner, who represents the Dunthorpe-Riverdale area, would be an advisory vote only. Their plan to abolish all five local governments and place their operations under a new single "super" county is headed for the Nov. 3 general election ballot.

The proposal comes in the middle of debate on a new home rule charter for Metro. It is all a bit confusing, but we think voters can figure it out.

The reaction by some local politicians seems to be to swing reflexively to the defensive. Label it a power grab by Metro. Or call the timing terrible because it puts too many options before the voters. And gripe about circumventing other local government bodies.

If there is a strong and serious case to be made against the measure, then let's make it. But those arguments, by themselves, are not persuasive.

Serious questions for Clackamas County residents to examine include the impact of the plan on their tax bill. Would the combination mean a shift of tax burden from Multnomah County to Clackamas and Washington county taxpayers?

But thoughtful voters also will find plenty of improvements possible through the proposed local government merger. At all levels, we are asking governments to find ways to do more with less. This kind of consolidation may be the catalyst for spending reforms to reign in government spending in productive ways.

Start by asking what these local governments do now and where they overlap. Where the combination can merge agencies and programs, this idea should improve efficiency and service. Finding and eliminating overlap should work better under a single form of government.

A plus for consolidation is this. It offers real opportunities to preserve the positions of government service providers and programs while reducing administrative overhead. Eliminating layers of management while keeping essential services flowing is what the goal should be here.

A fair question to ask is how accountability to the public will be enhanced by consolidation. Won't a bigger government be less accountable to the public, some ask. The opposite can be true, depending on the management structure in place. A single government body, with clean lines of authority and communication, can bring about improved public service. It does require stable management and strong political leadership.

Vehement opposition to this consolidation plan comes as no surprise. But all the wrangling among local politicians shouldn't do a whole lot to influence voters. Instead, look at what the consolidation can accomplish in keeping government costs down while preserving essential services. Those are the marks voters should be judging in this debate.

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TUESDAY, JULY 7, 1992

## Abolish three counties?

*Metro executive proposes a ballot measure that would test voters' determination for change*

**D**o residents of the Portland metropolitan area really want government to quit doing business as usual?

Gov. Barbara Roberts believes so and has called upon a panel headed by former Gov. Neil Goldschmidt to recommend various changes to make government more efficient and save taxpayer dollars.

Metro Executive Rena Cusma, however, suggests that voters may want more than a few changes: They may want to change dramatically county and regional government as it exists today.

Hers would be a bold leap perhaps beyond where residents of the region want to go. Nevertheless, Measure 5's revenue restraints open a window to exactly the streamlining of metropolitan-area government Cusma and the governor are talking about.

Cusma wants the Metro Council to ask voters at the November general election if they would be willing to abolish all three counties — Multnomah, Washington and Clackamas — and Metro and Tri-Met, and replace their 29 elected and appointed policymaking officials with a nine-member elected board and executive.

A weakness of her proposal is that the ballot measure would be advisory; but that's because Metro alone cannot make the changes the measure would call for.

A risk she is willing to take is that voter-rejection could fuel opposition to Metro. On the other hand, support of the measure would only give those willing to consider a single metropol-

itan county government a statement of public sentiment to take to the Legislature.

If the Legislature were to shape a charter for the first new Oregon county created in generations, it surely would give tri-county voters the final say about their governance.

Cusma hopes that voters will look at the duplication among the five governments and see the 10 percent savings potential from consolidation that she sees. The combined budgets of the governments is nearly \$1 billion, so her projected savings would be about \$100 million. "I think consolidation can reap substantially more than that," she adds.

Real savings rarely match projected savings from government consolidations. However, more service often is delivered for the dollars spent. Taxpayers should be almost as skeptical of Cusma's figures as are the county officials who would lose their jobs if the change took place.

Cusma isn't trying to answer all the questions about replacing five governments with one. Those involving tax equity and reinforcing local control, at city or possibly neighborhood levels, for example, would be hammered out after voters determined whether they wanted to move in the direction she proposes.

Regional public-service delivery has been evolving in the Portland area for many years. Cusma's measure would ask voters if they are willing to step up that measured pace with her alternative. Measure 5's budget belt-tightening makes the answer particularly pertinent now.



**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

<b>FOR THE PURPOSE OF SUBMITTING TO</b>	<b>)</b>	<b>RESOLUTION NO. 92-1650</b>
<b>THE VOTERS THE QUESTION OF</b>	<b>)</b>	
<b>WHETHER LEGISLATION SHOULD BE</b>	<b>)</b>	<b>Introduced by Rena Cusma,</b>
<b>ADOPTED TO AUTHORIZE THE VOTERS</b>	<b>)</b>	<b>Executive Officer, and</b>
<b>TO ABOLISH MULTNOMAH, WASHING-</b>	<b>)</b>	<b>Councilor Tanya Collier</b>
<b>TON AND CLACKAMAS COUNTIES, THE</b>	<b>)</b>	
<b>METROPOLITAN SERVICE DISTRICT,</b>	<b>)</b>	
<b>AND TRI-MET, AND CREATE A SINGLE</b>	<b>)</b>	
<b>CONSOLIDATED GOVERNMENT</b>	<b>)</b>	

WHEREAS, In November of 1990 the voters of the state of Oregon, including a majority vote in the counties of Multnomah, Washington, and Clackamas, passed Ballot Measure 5 limiting property taxes; and

WHEREAS, Throughout 1991 and 1992, the print and electronic media have all editorialized about the need for government consolidation; and

WHEREAS, Locally-elected commissioners from Washington and Multnomah counties and the City of Portland have written and spoken about government consolidation; and

WHEREAS, The voters of the region have expressed their discontent with the cost of government through passage of Ballot Measure 5; and

WHEREAS, Politicians, academics, and civic leaders have expressed their opinion on government organization innumerable times; and

////

WHEREAS, There has been no opportunity to hear directly from the voters of the region on their preference for metropolitan government form; and

WHEREAS, Abolishing Metro, Tri-Met, Multnomah, Washington, and Clackamas counties and their replacement by a single government entity will provide for at least a 10 percent reduction in total expenditures; and

WHEREAS, Abolishing Metro, Tri-Met, Multnomah, Washington, and Clackamas counties and their replacement by a single government entity would provide one elected government comprised of no more than nine full-time elected councilors and a separately-elected full-time executive to replace the existing four elected bodies and one appointed governing body consisting of 29 elected and seven appointed officials and, thus, make the new government both more accessible and more accountable to the persons it serves; and

WHEREAS, An advisory vote on abolishing existing governments and creating a consolidated entity would give metropolitan area voters the opportunity to express their views on the issues; and

WHEREAS, Pending a vote on this matter, the Council and Executive Officer should jointly prepare implementing legislation for inclusion in the District's recommended legislative agenda for the 1993 General Session of the Oregon Legislature; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District hereby submits to the qualified voters of the District the question set forth in the attached Exhibit A.
2. That the measure shall be placed on the ballot for the General election held on the 3rd day of November, 1992.

3. That the District shall cause this Resolution and the Ballot Title attached as Exhibit A to be submitted to the Elections Officer and the Secretary of State in a timely manner as required by law.
4. That the Executive Officer, working with the Council Governmental Affairs Committee, shall immediately commence preparation of implementing legislation for review and approval of the full Council to be transmitted to the 1993 General Session of the Oregon Legislature.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_  
day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer

dr  
1093

## **Exhibit A**

**Caption:** "Should Metro, Tri-Met, and Multnomah, Washington, Clackamas Counties be Abolished"

**Question:** "Should Voters be Authorized to Abolish Metro, Tri-Met, Multnomah, Washington, Clackamas Counties, and Create New County with 10 Percent Less Expenditures?"

**Summary Statement:** "Directs elected officials of region to obtain legislation to directly authorize voters to abolish Metro, Tri-Met, Multnomah, Washington, Clackamas Counties and create single county government. Vote to be held before January 1, 1994. Total expenditures for new body must be 10 percent less than existing in first fiscal year. County to have broad governmental powers with no more than nine legislators elected from districts and a separately-elected executive. All governments to continue to exist until new full-time officers elected. Courts may remain separate."

## STAFF REPORT

FOR THE PURPOSE OF ADOPTING RESOLUTION NO. 92-1650 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS THE QUESTIONS OF WHETHER LEGISLATION SHOULD BE ADOPTED TO AUTHORIZE THE VOTERS TO ABOLISH MULTNOMAH, WASHINGTON AND CLACKAMAS COUNTIES, THE METROPOLITAN SERVICE DISTRICT, AND TRI-MET, AND CREATE A SINGLE CONSOLIDATED GOVERNMENT

---

### INTRODUCTION AND BACKGROUND

The Executive Officer and Councilor Tanya Collier are presenting for your approval a resolution which would place before the voters of the region the question whether the governments of Metro, Tri-Met, and Multnomah, Washington and Clackamas Counties should be combined into a new, single government.

The reasons supporting such an advisory vote are many. Ideas and proposals to consolidate local governments and otherwise implement efficiencies and economies in the delivery of services have been debated over the last several decades. No consensus of elected officials has been sufficient to place any one of them on the ballot since the measure to consolidate Portland and Multnomah County in 1974. It is time the citizens of the region were directly asked how they feel about the consolidation of local governments.

A growing sense of urgency surrounds our ability to resolve urban problems related to rapid population growth. Measure 5 threatens to drastically reduce government services, but our citizens either do not yet believe the consequences of those phased property tax reductions or want government spending reduced at any price. Support for term limitation of state legislators, and all elected officials, is growing. The Governor wants to place her tax restructuring measure in the hands of the voters with a September mail-in ballot. She has also promised to withhold state funds from local jurisdictions that do not appear to be serious about reducing local government costs. And yes, the Metro charter committee continues to wrestle with the form and structure of Metro. Given the number and urgency of these and many related issues one could add to the list, we believe we are all well served by going to the voters and asking the basic question; do you or do you not favor the creation of a new, single government to replace Metro, Tri-Met and the three urban counties.

The resolution does not attempt to detail what such a new government should look like except to say that the legislative side shall consist of 9 full-time elected positions representing districts plus a chief executive officer elected at large. That structure would replace the 29 elected and 7 appointed officials now involved in the governments to be replaced.

If approved by the voters in principle, through an advisory vote, the legislature would prepare the final measure for referral to the voters of the region. The result is either a new beginning under a mandate from the voters or the certain knowledge that consolidation of local governments is not attractive to our citizens, even in these times, and that other forms of coordination, cooperation and regional government that really do work must be found.

The proposed resolution would be submitted to the ballot asking whether legislation should be adopted to authorize the voters to abolish Multnomah, Washington and Clackamas Counties, the Metropolitan Service District, and Tri-Met. It would propose creating a single consolidated government for the region. Upon approval by the Metro Council, it would be submitted to the voters at the November general election.

If approved by the voters, legislation would be drafted by the Council and Executive Officer for submission to the 1993 Oregon legislature implementing the proposed consolidation.

The resolution which would approve the ballot measure, proposes that the new governmental entity would effect a ten percent reduction of the combined budgets of the consolidated units.

It is further proposed that the new entity would provide for an elected government comprised of no more than nine full-time elected councilors and a separately elected full-time executive. This would replace the existing four elected and one appointed governing bodies which consist of 29 elected and seven appointed officials.

#### EXECUTIVE OFFICER RECOMMENDATION:

It is recommended that the Council approve Resolution No. 92-1650

Meeting Date: July 23, 1992  
Agenda Item No. 6.5

RESOLUTION NO. 92-1647A

## **TRANSPORTATION AND PLANNING COMMITTEE REPORT**

CONSIDERATION OF RESOLUTION NO. 92-1647A FOR THE PURPOSE OF  
ACCEPTING ODOT'S RECOMMENDED SIX-YEAR PROGRAM REDUCTIONS

-----  
Date: July 15, 1992

Presented by: Councilor McLain

**Committee Recommendation:** At the July 14 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1647A. Voting in favor: Councilors Devlin, McLain, and Buchanan. Excused: Councilors Bauer and Washington.

**Committee Issues/Discussion:** Andrew Cotugno, Planning Director, presented the staff report. He explained that in February ODOT released a draft six-year program, which was over-programmed by over \$100 million. As a result cuts were needed to balance the budget. Subsequently, the region asked ODOT to provide \$22 million for the Westside Light Rail Transit project. This action accomplishes both needs. Exhibit A identifies all of the changes from the original draft to the present version.

In reducing the budget on a statewide basis, this region will be taking an approximate 29% cut, which Mr. Cotugno believes to be fair.

The resolution also itemizes a series of caveats regarding specific projects and the procedure of ODOT.



BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ACCEPTING ) RESOLUTION NO. 92-1647  
ODOT'S RECOMMENDED SIX-YEAR )  
PROGRAM REDUCTIONS ) Introduced by  
Councilor Richard Devlin

WHEREAS, The Oregon Department of Transportation's (ODOT's) Six-Year Transportation Improvement Program will be adopted by the Oregon Transportation Commission (OTC) on July 21, 1992; and

WHEREAS, The Six-Year Program must demonstrate a balance of projects and resources; and

WHEREAS, It was necessary to defer numerous projects from the first draft of the Six-Year Program in order to result in a balanced program; and

WHEREAS, ODOT has requested that the region have the opportunity to comment on the list of projects that would be deferred and/or reduced; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District has:

1. Reviewed the list of projects recommended by ODOT to be deleted from the current Six-Year Transportation Improvement Program.

2. Accepts the recommended deferrals (Exhibit A) as necessary to achieve a balanced program with the following comments:

a. The status of the project on NE Columbia Boulevard - Lombard at 60th should be changed from "request" to "developmental."

- b. The entire I-5/Greeley to Banfield project should ~~continue to move forward and complete conceptual engineering during Phase II engineering~~ be completed through EIS work to provide the context for Phase II project development.
- c. The Lake Oswego park-and-ride lot should be included as a reconnaissance project.
- d. Projects which improve urban mobility, such as the Columbia Boulevard, Troutdale interchange, Farmington Road and Stafford Road projects, should be given more emphasis in this and future updates of the Six-Year Program.
- e. ODOT should meet with local jurisdictions and explain the process that was used to develop the revisions to the proposed Six-Year Program as outlined in June correspondence to Metro.
- f. The region acknowledges that this Six-Year Program is the last to be developed under old planning regulations and is eager to work cooperatively with ODOT to define a process for implementing new flexible funding opportunities afforded by ISTEA.
- g. The region wishes to thank ODOT for being a progressive and cooperative partner in its historic allocation of \$22 million of flexible STP funds to the Westside LRT project.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer

June 19, 1992

DEPARTMENT OF  
TRANSPORTATION

HIGHWAY DIVISION

Region 1

FILE CODE:

Richard Brandman  
Transportation Planning Manager  
Metropolitan Service District  
2000 SW First Ave.  
Portland, OR 97201

Subject: Revisions to Proposed 1993-1998 Six-Year Transportation  
Improvement Program

Pursuant to recommendations from the Joint Policy Advisory Committee on Transportation, we have identified a balanced Six-Year Program. This includes \$22 million of state STP funds for support of the Westside Light Rail Transit Project.

In order to reduce the overprogramming and identify the \$22 million for the Westside LRT, ODOT staff reviewed comments and recommendations made on the proposed transportation improvement program dated May 1992. The attachments summarize the list of projects that have been reduced in scope or deleted from the previous draft. Also listed are the projects that were initially incorporated as new projects in the preliminary draft from the previous 1991-1996 program.

As noted in the attached, two major highway projects were added based on comments on the January 1992 preliminary draft. These include the Sunnybrook interchange and seismic retrofitting of the Marquam Bridge. The other major project added was the \$22 million for lightrail transit.

The Oregon Transportation Commission is requesting the Metro Region's recommendations on accepting the program reduction and adjustments to the developmental section.

  
Theodore A. Spence  
Plan and Program Manager

TS:smc:6-YRTIP.REV



9002 SE McLoughlin  
Milwaukie, OR 97222  
(503) 653-3090  
FAX (503) 653-3267

June 18, 1992

Changes to the 1993-1998 Transportation Improvement Program - As reflected in  
the Proposed Program

The Region requested the State to provide the detail of the "Balanced" Six Year Program for its information and review. The balanced program was developed in order to match programmed amounts to projected revenues. Projects shown in the Preliminary program were modified to achieve the required "balance".

The following projects were deleted from the construction program.

<u>Highway</u>	<u>Year</u>	<u>Section</u>	<u>Cost</u>	<u>Status</u>
US-30 BUS.	97	NE COLUMBIA - LOMBARD @ 60TH	6,904	Request
I-5	98	SW HOOD - TERWILLIGER	41,563	Request
99E	96	HAROLD - TACOMA	6,440	Dev.R/W
99E	97	MLK JR./GRAND VIA-SE HAROLD	6,420	Dev.R/W
I-5	93	TUALATIN PARK & RIDE	400	Tri-Met build
OR-43	96	WEST LINN PARK & RIDE	462	Tri-Met Lease
99E	96	MILWAUKIE PARK & RIDE	2,500	Tri-Met Build

Total deleted \$ 64,689,000

The following projects were reduced in scope to help balance the program:

<u>Highway</u>	<u>Year</u>	<u>Section</u>	<u>Orig. Cost</u>	<u>Prop. Cost</u>	<u>Reduction</u>
Columbia	94	223RD - TROUTDALE	50,320	40,078	10,242

(Troutdale Interchange has been removed as part of this unit and placed in development. This project was a discretionary project in the Preliminary Draft. It is now funded with NHS/FAI funds in the Proposed Draft. It does not qualify for Discretionary Funds under the new Surface Transportation Act.)

<u>Highway</u>	<u>Year</u>	<u>Section</u>	<u>Orig. Cost</u>	<u>Prop. Cost</u>	<u>Reduction</u>
US-26	98	185TH-CEDAR HILLS	40,119	26,351	13,768

(The limits of this project have been reduced to a section called Murray - 217 to be constructed in 1997.)

<u>Highway</u>	<u>Year</u>	<u>Section</u>	<u>Orig. Cost</u>	<u>Prop. Cost</u>	<u>Reduction</u>
OR-208	96	209TH - MURRAY	26,273 (State & Local)		
	96	Unit 1		6,999	
	Dev.	Unit 2		1,050 R/W	9,000

(This project is being split into two units. County will be funding half of Unit 1 for \$3.5M. Unit 2 is in the development section of the program with \$1M for R/W. The remaining construction costs are being deferred at this time with State's share (50 percent) being \$9M.)

Total Reductions \$33,010,000

Grand Total Reduced \$ 97,699,000

The New Proposed Program will identify the additional \$22M for Westside LRT.

MAJOR PROJECT MODIFICATIONS TO THE 1993-1998 PRELIMINARY  
TRANSPORTATION IMPROVEMENT PROGRAM

	<u>YEAR</u>	<u>HIGHWAY</u>	<u>PROJECT</u>	<u>PRELIMINARY TOTAL COST R/W, PE, CONST. (Million)</u>	<u>ADJUSTED PROGRAM TOTAL COST</u>	<u>LOCAL SHARE</u>
*	93	Pacific	Tualatin Park & Ride	.4	---	
	93	Sunset	S.W. Center-S.W. 76th LRT	46	65.8	27
	93	Columbia	I-84 @ 82nd Park & Ride	.3	.3	
**	93	Pacific	W.Marquam Intch-Marquam Br.	---	9	
**	93	Pacific	I-5 Seismic Retrofit	---	1	
**	94	Pacific	Boones Ferry-Commerce Cir.	---	1.6	
	94	Oswego	Taylor's Ferry-I205 (MAC)	1.7	1.7	
	94	Columbia	Gateway Park & Ride	2.3	2.3	
***/*	94	Columbia	223rd-Troutdale	50.3	40.0	
*	96	Pacific E	MLK/Grand - SE Harold	13.0	6.6	
*	96	Farmington	209th - Murray	26.3	8.0	3.5
*	96	Pacific E.	Milwaukie Park & Ride	2.5	---	
**	96		LRT	---	22.0	
*	96	Oswego	West Linn Park & Ride	.5	---	
	96	L.Colum.R.	Sandy Macs Projects	5.1	5.1	
	96	Tualatin V.	Beav/Tigard/117th	4.6	4.6	
*	96	Pacific E.	Harold - Tacoma	13	6.6	
	97	47 Bypass	Council Creek-Quince	9	9.0	4.5
*	97	L.Colum.R.	N. Colum.-Lombard @ 60th	6.9	---	
	97	Various	Priority Macs Project	3.9	3.9	
*	98	Pacific	Hood - Terwilliger	41.6	---	
	98	Various	Priority Macs Project	3.8	3.8	
	98	Sunset	185th - Cedar Hills	40.1	26.3	
**	98	E.Port.	Sunnybrook Interchange	---	23.6	6.8
Total				\$ 272.9	241.2	41.8

\* Reduced or deferred in order to balance program (see attached)

\*\* Added to Proposed (May 1993) Six Year Program

\*\*\* Moved from Discretionary funding to NHS/FAI in May 1993 Proposed Program

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 92-1647 FOR THE PURPOSE OF ACCEPTING ODOT'S RECOMMENDED SIX-YEAR PROGRAM REDUCTIONS

Date: June 19, 1992

Presented by: Andrew Cotugno

#### PROPOSED ACTION

This resolution would accept ODOT's proposed reductions in projects proposed for funding in the 1993-1998 Six-Year Transportation Improvement Program (Six-Year Program). The resolution reflects the projects which are necessary to be removed from the Six-Year Program in order to have a balanced program of projects and funding.

At the June 26 TPAC meeting, there was considerable discussion regarding ODOT's proposed revisions to the Six-Year Program. The discussion centered on the process which ODOT used to develop the list, specific projects which were revised, and the need to develop a new process for addressing new flexible funding opportunities afforded by ISTEA. Specific comments resulting from this discussion are found in Resolve No. 2 in the attached Resolution.

TPAC has reviewed the proposed reductions and recommends approval of Resolution No. 92-1647.

#### FACTUAL BACKGROUND AND ANALYSIS

At the February JPACT meeting, there was a brief presentation and discussion of ODOT's Draft Six-Year Program. Metro and ODOT staff explained at the meeting that the initial draft of the Six-Year Program was overprogrammed by \$173 million and that project deferrals would be necessary. Direction was then given to ODOT by JPACT to bring a recommended balanced program to a subsequent JPACT meeting.

In a related issue, at the April JPACT meeting, a resolution was adopted which recommended that ODOT program \$22 million of flexible Surface Transportation Program (STP) funds to the Westside Corridor LRT project. There was an understanding reached when this resolution was adopted that this transfer of funds would require an additional \$22 million reduction in highway projects from this region over the life of the Six-Year Program. This reduction was considered acceptable in light of the increased funding level coming to the region as a result of the Intermodal Surface Transportation Efficiency Act (ISTEA).

At the June meeting of the Oregon Transportation Commission, the Commission adopted the allocation of \$22 million of STP funds to the Westside project and noted that some projects must be deferred as a result. Therefore, the revised Six-Year Program is

a balanced program which includes the \$22 million STP allocation to the Westside Corridor project. Exhibit A is ODOT's recommended list of deferred projects to balance the Six-Year Program. The list includes projects from both the construction and developmental sections of the program. The OTC has requested the Metro region.to provide comments on this list.



Meeting Date: July 23, 1992  
Agenda Item No. 6.6

RESOLUTION NO. 92-1654



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Parties

FROM: Paulette Allen, Clerk of the Council *PA*

RE: AGENDA ITEM NO. 6.6; RESOLUTION NO. 92-1654

The Solid Waste Committee will meet on July 21 to consider Resolution No. 92-1654. The Committee Report will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

<b>FOR THE PURPOSE OF MAKING AREAS</b>	<b>)</b>	<b>RESOLUTION NO. 92-1654</b>
<b>OUTSIDE THE METRO BOUNDARY</b>	<b>)</b>	
<b>ELIGIBLE TO RECEIVE "METRO</b>	<b>)</b>	<b>Introduced by Rena Cusma</b>
<b>CHALLENGE" GRANTS</b>	<b>)</b>	<b>Executive Officer</b>

WHEREAS, Metropolitan Service District Resolution No. 92-1594A adopted program activities for the third year of the Annual Waste Reduction Program for Local Government; and

WHEREAS, the Metro Council has appropriated \$500,000 in "Metro Challenge" grant funds to be allocated to local governments to help defray the costs of implementing their Annual Waste Reduction Programs in FY 1992/93; and,

WHEREAS, the 1991 Oregon Recycling Act specifies a recovery rate for Clackamas, Multnomah, and Washington Counties, in aggregate; and,

WHEREAS, residents within Clackamas, Multnomah, and Washington Counties but outside of the Metro boundary utilize the Metro solid waste disposal system and pay the associated fees; and

WHEREAS, the funding of waste reduction programs in the outer tri-county area is closely enough related to Metro's planning authority, waste reduction and landfill space conservation responsibilities to be for purposes 'authorized by law'; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

BE IT RESOLVED, that the Council of the Metropolitan Service District adopts a new procedure for allocation of "Metro Challenge" grants, multi-family recycling container grants, and neighborhood cleanup grants that will henceforth make such grants available to all areas within Clackamas, Multnomah, and Washington Counties that utilize the Metro solid waste disposal system and pay the associated fees.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_ day of \_\_\_\_\_, 1992.

---

Jim Gardner, Presiding Officer

## **STAFF REPORT**

### **IN CONSIDERATION OF RESOLUTION NO. 92-1654 FOR THE PURPOSE OF MAKING AREAS OUTSIDE THE METRO BOUNDARY ELIGIBLE TO RECEIVE "METRO CHALLENGE" GRANTS**

**Date: July 6, 1992**

**Presented by: Steven Kraten**

#### **BACKGROUND AND ANALYSIS**

In order to facilitate the continued funding of local government waste reduction programs, the Metro Council appropriated \$500,000 in "Metro Challenge" grants to be allocated to local governments in FY 1992-93. In making these funds available, Metro renewed its challenge to local governments to take part in helping the region to achieve a waste reduction goal of 45 percent by the year 1995 and 50 percent by the year 2000. Resolution No. 90-1270, adopted by the Council, specifies that "Metro Challenge" grants:

- a. will be awarded to local governments upon submission to Metro of an Annual Waste Reduction Program (AWRP), approved by the Solid Waste Department.
- b. are to be used to defray the costs of administering the Annual Waste Reduction Program For Local Government.
- c. may not be used to retroactively fund programs or positions that are currently in place.

Aside from the above listed restrictions, local governments can utilize the grants as necessary to accomplish their waste reduction goals.

Provision b., above, has been interpreted to mean that local governments cannot use "Metro Challenge" funds for capital items, such as recycling containers, or as matching funds for other Metro grant programs. Though the smallest residential jurisdictions (Johnson City and Rivergrove) have been allowed to use their minimum allocation of \$500 each for neighborhood cleanups, other local governments have been discouraged from using "Metro Challenge" funds for any activity which falls under another Metro program.

The program has been quite successful. All local governments within the region have implemented waste reduction programs and the region's recycling rate has jumped from 28 percent to 38 percent since the program began. However, two issues require resolution. The first concerns the extent to which eligibility for Metro financial assistance is tied to compliance with the AWRP. The second issue concerns funding for waste reduction programs beyond the Metro boundary.

## **POLICY ISSUES AND RECOMMENDATIONS**

### **ISSUE #1 - Cooperative Compliance with the Annual Waste Reduction Program**

Questions have been raised about the degree to which local governments are permitted to deviate from the AWRP, the kind and extent of enforcement actions Metro might take, and the way in which decisions regarding these issues are made. During the past two years, Metro has required substantial compliance with the AWRP but not strict compliance. Substantial compliance means that a local government has complied to a large extent with all of the major provisions of the AWRP even though it may not have fully complied with every provision. Decisions as to whether local governments have substantially complied with the AWRP have been made by Waste Reduction Division staff with the concurrence of the Director. Under this system, two local governments had their "Metro Challenge" grants prorated in FY 1990/91 and one forfeited its grant entirely.

There are several reasons why Metro has not sought strict compliance. Each local government began its program from a different starting point. Rather than setting modest regional goals in consideration of those local governments with the least developed recycling systems, Metro and the watershed representatives selected more ambitious goals with the knowledge that some local governments would have difficulty achieving them.

A second reason that local governments have been allowed latitude with their programs is that unexpected problems sometimes occur. Curbside yard debris collection is a case in point. Unresolved issues concerning permissible charges prevented local governments from implementing their programs according to schedule.

Sometimes there are also unexpected opportunities. A postponement of the due date for Gladstone, Oregon City, and West Linn's AWRP was granted while they deliberated over whether to implement a joint program under the auspices of a new environmental service district.

Sometimes an issue is complex and whether or not a local government has complied is open to interpretation. Portland's garbage rates are an example. The City chose not to double the recycling component of the garbage rate for two-can customers. The question of whether it is appropriate to charge double for recycling is a question that was not considered at the time the AWRP was written to specify a higher per unit charge for the second can.

Another reason Metro did not seek strict compliance is that withholding grant funds from local governments that were deficient in certain aspects of their programs might have prevented some of the program from being implemented at all. Most importantly, building positive relationships and working cooperatively with local governments that are making a good faith effort to reduce waste is more effective than taking a punitive approach.

Now that the program has been successfully implemented and the local governments understand how it works, it is appropriate to formalize the way the grant program will be administered to achieve the greatest level of cooperative compliance. It is recommended that:

1. submission of Annual Waste Reduction Programs after the end of July of each fiscal year will result in a proration of the associated "Metro Challenge" funds according to the following formula:

$$\text{Funding for late programs} = \text{original allocation} [(12 - \text{number of months late}) / 12]$$

Regardless of the day of the month on which the program is received, the full month is counted in the number of months remaining. For example, the proration schedule for a city with an allocation of \$10,000 is as follows:

<u>Program Submitted by</u>	<u>Proration Formula</u>	<u>Prorated Allocation</u>
July 31	\$10,000 (12/12)	\$10,000
Aug. 31	10,000 (11/12)	9,167
Sept 30	10,000 (10/12)	8,333
⋮	⋮	⋮
⋮	⋮	⋮
June 30	10,000 (1/12)	833

In order to be considered "on-time," a program must include a report summarizing the previous year's program. A copy of the local government's resolution formally adopting the program must be received by Metro within 60 days of program approval. Late adoptions will count toward proration in the same way as late programs.

For programs that involve more than one local government, only the amount allocated to the late local government(s) will be prorated. For example, three local governments, City A, City B, and City C submit a joint program. The three cities' "Metro Challenge" allocations are \$12,000, \$6,000, and \$2,000, respectively. The program is submitted to Metro by the end of July but City B does not adopt it until 90 days after it is approved by Metro and City C's previous year's summary report is not submitted until October. Grants for the joint program would be prorated as follows:

	<u>Full Allocation</u>	<u>Prorated Allocation</u>
City A	\$12,000 (12/12) =	\$12,000
City B	6,000 (11/12) =	5,500
City C	<u>2,000 ( 9/12) =</u>	<u>1,500</u>
Totals	\$20,000	\$19,000

2. as part of their AWRP's, local governments be required to submit budgets showing how they intend to use "Metro Challenge" grants to further their waste reduction programs.
3. evaluation of local governments' Annual Waste Reduction Programs and eligibility for "Metro Challenge" grants will be made by a committee composed of Solid Waste Department staff. The recommendations of the committee will be submitted to the Director of Solid Waste for concurrence before grants are disbursed.

## **ISSUE #2 - Funding of Programs Outside the Metro Boundary**

At the time the "Metro Challenge" program was adopted by the Council, it was specified that grants would be allocated to local governments based on population. For the first two years of the program, the population figures used to allocate grants to Washington, Clackamas, and Multnomah Counties were based only on the populations of those parts of the unincorporated counties that lay within the Metro boundary. About 42 percent of unincorporated Clackamas County's population is outside the Metro boundary yet most of that population's solid waste goes into the Metro system. Twenty percent of Washington County's population and 11 percent of Multnomah County's is outside the boundary. Clackamas County provides waste reduction programs to the entire county and thus, on a per capita basis, is under funded relative to other local governments.

A related issue is the question of whether or not to provide funding for incorporated cities which use the Metro system, pay Metro fees, but are outside the Metro boundary. With a population of 4,275, Sandy has now passed the 4,000 limit and must comply with the provisions of the 1991 Oregon Recycling Act. If Clackamas County extends its waste reduction program to include Sandy then Metro might want to include Sandy's population in the allocation equation. Another question that arises is what to do if Sandy is included in the allocation equation but the City wants to implement its own program rather than contract with the County. The Metro Council would then have to decide whether or not Sandy is eligible to submit an Annual Waste Reduction Program (AWRP) and receive a "Metro Challenge" grant directly.

The issue also has ramifications for other grant programs, specifically matching grants for multi-family recycling stations and neighborhood cleanup programs.

As for legal issues, there does not appear to be any prohibition on Metro providing services outside its boundaries. A copy of written advice prepared by the Office of General Counsel is included as Attachment A.

The 1991 Oregon Recycling Act states that Metro is the coordinating agency for waste reduction activities within the three county region (though the local governments themselves have the responsibility to meet the recovery target.) Based on Metro's coordination role and the principle that contributing local governments should receive benefits roughly in proportion to their contributions, it is recommended that:

1. Washington, Clackamas, and Multnomah Counties each be granted "Metro Challenge" funds to extend their waste reduction programs to any or all parts of the unincorporated county that are

outside the Metro boundary and pay Metro fees on waste disposed. The amount of funds shall be proportional to the population of the areas served.

2. any incorporated city within the Metro boundary be given the opportunity to enter into a contract with Washington, Clackamas, and Multnomah Counties and any cities within those counties (inside of or outside of the Metro boundary) for the provision of waste reduction programs to those local governments provided that they pay Metro fees on waste disposed. Metro shall allocate funds proportional to the population of the areas served.
3. any city with a population of 4,000 or greater that is within Washington, Clackamas, or Multnomah Counties and pays Metro fees on waste disposed may, at their own request, submit an AWRP and be eligible to receive a "Metro Challenge" grant.
4. related grant programs be similarly allocated. This includes multi-family recycling container funds and neighborhood cleanup funds.

#### **BUDGET IMPACT**

There is no direct budget impact to Metro for the current fiscal year, however, there will be an effect on the budgets of local governments. Granting funds for services to areas outside the Metro boundary will reduce per capita allocations within the boundary. A few local governments within the boundary will receive larger grants but the majority will be negatively impacted.

Also, the precedent of providing grants for areas outside the boundary will likely create pressures on Metro to increase the amount of recycling related grant appropriations in future years.

#### **EXECUTIVE OFFICER RECOMMENDATION**

The Executive Officer recommends approval of Resolution No. 92-1654

MH:ay  
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**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Date: October 9, 1991

To: Vickie Rocker, Public Affairs Director

From: Todd Sadlo, Senior Assistant Counsel *TS*

Regarding: **METRO'S OBLIGATION TO PROVIDE PROGRAMS OUTSIDE ITS BOUNDARIES**  
Our file:

## Question Presented

By your memo dated August 26, 1991, to Dan Cooper, you stated that Waste Reduction Education and Promotion staff members are receiving requests from Washington and Clackamas counties to provide services to schools and other jurisdictions outside Metro's boundaries. You ask, "given the provisions of Metro's Code, Senate Bill 66 and other requirements that may apply, what is Metro's obligation to provide programs outside its boundaries?"

## Answer

Metro has no obligation to provide services outside its boundaries, but may do so in appropriate circumstances.

## Summary

Metro is not obligated by state or federal law to provide services to individuals, schools or jurisdictions outside Metro boundaries. Senate Bill 66, (1991 Oregon Laws, Ch. 385) does not obligate Metro to provide services outside of District boundaries. Under SB 66, Metro has been assigned responsibility for reporting to DEQ the waste reduction efforts of all jurisdictions within the tri-county area. However, the responsibility for reaching a specific recovery rate is the responsibility of "Clackamas, Multnomah and Washington counties, (and all jurisdictions within them) in aggregate." Absent intergovernmental agreements, no particular jurisdiction obtains authority over, or the responsibilities of, another due to this provision.

Section 9 of SB 66 states that the "opportunity to recycle" must be provided by "the city, county or metropolitan service district responsible for solid waste management," and that

violating jurisdictions may be subjected to civil penalties. To avoid possible penalties, it is important that all jurisdictions within Metro boundaries delineate the responsibilities of each party. This section does not, however, extend Metro's responsibility for providing a component of the "opportunity to recycle" to people or jurisdictions outside of its boundaries.

Metro has express authority to provide, outside of District boundaries, by contract, the same types of services that it is allowed to provide inside the District. Metro also has implied authority to make expenditures outside of the District, if such expenditures help it to carry out its statutory responsibilities. Public policy dictates obvious restraints on the amount of District revenue that should properly be spent outside the District.

### Discussion

According to information from the Metro Data Resource Center, 122,474 people live in the "outer tri-county area," between Metro's boundaries and the boundaries of the three counties. This represents 10.43 percent of the total tri-county population. There are eight incorporated jurisdictions in the outer tri-county area, containing 17.2 percent of its population.

### **Obligations Outside of District Boundaries**

Earlier memoranda from this Office and from the Planning Department have discussed Metro's authority in the outer tri-county area. A memorandum dated July 13, 1989, from Larry Shaw to Rich Carson explains that Metro's enforcement authority related to solid waste extends to its borders, unless that authority is extended through intergovernmental agreement with the local government exercising jurisdiction. In a memorandum dated August 16, 1989, to Rena Cusma, Rich Carson points out that the Regional Solid Waste Management Plan is a plan for the entire tri-county area. (See RSWMP, Section I, page i) The memo suggests that the DEQ/EQC could recognize Metro as the solid waste planning authority for the tri-county area, and could then take steps to enforce our plan in areas within the tri-county area that are outside Metro boundaries. It continues to be true that Metro is free to establish plans relating to the entire tri-county area (under ORS 268.390), but does not have clear authority to directly enforce such plans outside its borders.

For the most part, Metro's funding "obligations" are established by state or federal law, or by the Metro Council. Federal or state law may require that certain programs be provided, in effect forcing the Metro Council to commit funds to the program. In the absence of such mandates, Metro is free to budget funds for any purpose "authorized by law."

(ORS 294.100) In general, this includes expenditures expressly authorized, as well as expenditures that aid the District in carrying out its statutory duties. (See Burt v. Blumenauer, 299 Or. 55, 699 P.2d 168 (1985)).

Vickie Rocker  
Page 3  
October 9, 1991

There do not appear to be any state or federal mandates in effect that require Metro to provide solid waste services to individuals, schools or other jurisdictions outside Metro boundaries. Senate Bill 66, (1991 Oregon Laws, Ch. 385) does not obligate Metro to provide services outside of District boundaries.

In its amendments to ORS 459.180, SB 66 requires that Metro submit an annual "opportunity to recycle" report on behalf of Multnomah, Washington and Clackamas counties and the cities within them. (1991 Oregon Laws, Section 11) However, the responsibility for reaching a specific recovery rate is assigned to "Clackamas, Multnomah and Washington counties, (and all jurisdictions within them) in aggregate." As with the other "wastesheds" described in SB 66, all jurisdictions within the wasteshed will hang together if recovery rates are not reached. Nevertheless, absent intergovernmental agreements, no particular jurisdiction obtains authority over, or the responsibilities of, another due to this provision.

Section 9 of SB 66 establishes who must provide the "opportunity to recycle." It provides that "the city, county or metropolitan service district responsible for solid waste management" is the responsible party. Inside its boundaries, Metro is directly responsible for the disposal component of solid waste management, but in the outer tri-county area it currently has only self-imposed planning responsibilities. Under Section 90 of the Act, a \$500 per day civil penalty can be imposed on a city, county or metropolitan service district that fails to provide the opportunity to recycle as required. To avoid possible penalties, it is important that all jurisdictions within Metro's boundaries delineate the responsibilities of each party. This section does not, however, extend Metro's responsibilities outside of its boundaries.

#### **Authority to make Expenditures Outside of District Boundaries**

A corollary question raised by your memo is whether Metro has the authority to make expenditures of District funds outside of the District. ORS 294.100 states that it is unlawful for any public official to expend public money "for any other or different purpose or purposes than authorized by law."

There is no per se rule that a jurisdiction may not make expenditures outside of its territorial limits. (15 McQuillan 39.21, n.118) Under Oregon law, the initial question is whether authority exists for the proposed expenditure. (Burt v. Blumenauer, *supra*)

In the absence of a charter, the source of Metro authority is statutory. Express authority has been granted to Metro to provide, "By contract, metropolitan and local aspects of services authorized under this chapter to areas outside the district boundaries." (ORS 268.030(d)) District programs to reduce the amount of recyclable materials being landfilled are essential to long term maintenance of landfills, and are generally within the power of the District.

Vickie Rocker  
Page 4  
October 9, 1991

(ORS 268.300, 268.317(1),(3)) Metro's implicit authority to educate the public regarding waste reduction and to promote waste reduction may properly be extended beyond its borders if that extension helps Metro carry out its statutory duties.

The funding of waste reduction and education programs in the outer tri-county area ~~are~~ is closely enough related to Metro's planning authority, waste reduction and landfill space conservation responsibilities to be for purposes "authorized by law." (Although precise figures are not available, many persons living in the outer tri-county area use and thereby impact Metro facilities and contribute to Metro solid waste programs through payment of user fees.) It appears therefore that District money may be spent in the outer tri-county area, on waste reduction education and promotion. The requirement that public money may only be spent for purposes "authorized by law" does not directly limit the amount of money that may be spent on a public purpose. Public policy, however, dictates obvious restraints on the amount of District revenue that should properly be spent outside the District.

1045

cc: Bob Martin  
Debbie Gorham  
Steve Kraten  
Marie Nelson  
Becky Crockett

Meeting Date: July 23, 1992  
Agenda Item No. 6.7

RESOLUTION NO. 92-1648



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 16, 1992

TO: Metro Council  
Executive Officer  
Interested Parties

FROM: Paulette Allen, Clerk of the Council *PA*

RE: AGENDA ITEM NO. 6.7; RESOLUTION NO. 92-1648

The Finance Committee report on Resolution No. 92-1648 will be distributed in advance to Councilors and available at the Council meeting July 23, 1992.

**BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT**

<b>FOR THE PURPOSE OF DIRECTING THE</b>	<b>)</b>	<b>RESOLUTION NO. 92-1648A</b>
<b>METROPOLITAN EXPOSITION-RECREATION</b>	<b>)</b>	
<b>COMMISSION TO PREPARE A PLAN FOR</b>	<b>)</b>	<b>INTRODUCED BY THE</b>
<b>THE FINANCIAL MANAGEMENT OF THE</b>	<b>)</b>	<b>FINANCE COMMITTEE</b>
<b>FINANCE COMMITTEE SPECTATOR</b>	<b>)</b>	
<b>FACILITIES FUND</b>	<b>)</b>	

WHEREAS, Metro is responsible for the operation and management of the Portland Center for the Performing Arts (PCPA), Civic Stadium, and Memorial Coliseum (City facilities) under the terms of the December 19, 1989 Consolidation Agreement with the City of Portland; and

WHEREAS, The Consolidation Agreement stipulates that Metro's responsibility for management of City facilities is delegated to the Metropolitan Exposition-Recreation Commission (MERC); and

WHEREAS, The City facilities will operate out of the Spectator Facilities Fund through June 30, 1992; and

WHEREAS, Beginning July 1, 1992, Memorial Coliseum will operate out of a separate Coliseum Fund, and the PCPA and Civic Stadium will operate out of the Spectator Facilities Fund; and

WHEREAS, The July 1, 1992 Beginning Balance in the Spectator Facilities Fund is projected to be approximately \$4 million; and

WHEREAS, The 1992-93 budgeted operating deficit for the Spectator Facilities Fund is approximately \$1.5 million; and

WHEREAS, The Metro E-R Commission approved Resolution #183 on June 10, 1992, which establishes a three-tiered rental structure for PCPA; and

WHEREAS, The projected financial impact of the new PCPA rent structure is \$1.4 million for the FY 1991-92 through 1993-94 period; and

WHEREAS, Metro Council Resolution No. 92-1590B authorized creation of a Funding Task Force for Regional Facilities and Programs, whose principal charge is to recommend adequate long-term funding for the region's arts and entertainment facilities and programs; and

WHEREAS, The Funding Task Force is expected to present its recommendations to the Metro Council in the winter of 1992-93; and

WHEREAS, Metro does not now have the authority to levy certain regionwide taxes to support the capital and operational requirements of the Spectator Facilities Fund facilities; and

WHEREAS, The City of Portland has requested Metro to prepare a financial plan for the Spectator Facilities Fund which identifies how the Fund will be managed to maximize the time it will continue to support the PCPA and Civic Stadium; and

WHEREAS, The Council's Finance Committee on June 18, 1992 reviewed the effect of MERC Resolution #183 on the Spectator Facilities Fund and concluded that a plan for management of the Fund was necessary; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District directs the Metropolitan Exposition-Recreation Commission to prepare;

1. A Five-Year Financial Plan for the financial management of the Spectator Facilities Fund, to be integrated with Metro's five-year financial planning process and presented to the Metro Council in accordance with the schedule for the five-year financial planning process and in any case no later than November 14, 1992, and which includes:

- a. A recommended beginning fund balance for the Fund as of July 1, 1994, and justification for the amount recommended;
- b. Actions recommended to achieve the recommended July 1, 1994 fund balance, through expenditure reductions, revenue increases, or a combination of the two;
- c. Alternative actions recommended to manage the Fund in the following circumstances:
  - No additional source of operational funding is implemented by June 30, 1994;



- A partial source of operational funding is implemented by June 30, 1994, which would be sufficient to continue operations at or near current levels for MERC facilities but which is insufficient for capital needs.

2. A long-term capital plan detailing the projected capital outlay and equipment maintenance requirements for the facilities in the Spectator Facilities Fund that encompasses at least ten years and can be used to estimate annual funding requirements necessary to sustain the facilities in serviceable condition.

3. That the Council of the Metropolitan Service District directs the Metropolitan Exposition and Recreation Commission to provide for participation of staff representatives from the City of Portland Bureau of Financial Planning in preparation of the Five-Year Financial Plan and the long-term capital plan, including a review of the proposed methodology, assumptions, definitions and draft reports.

ADOPTED by the Council of the Metropolitan Service District this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
Jim Gardner, Presiding Officer



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: July 9, 1992  
TO: Council Finance Committee  
FROM: Casey Short, <sup>CS</sup>Council Analyst  
RE: Resolution No. 92-1648

The Finance Committee's July 16 agenda includes consideration of Resolution No. 92-1648, which would direct MERC to prepare a plan for the financial management of the Spectator Facilities Fund. Your agenda packet includes a copy of the draft resolution, a cover memo from me dated June 25 which outlines the points in the resolution, and my June 17 memo to the Finance Committee which discusses the issues concerning the status of the fund. These materials were all distributed at the June 25 Council meeting.

In addition to the above documents, this packet contains a memo to me from Tim Grewe, the City of Portland's Financial Planning Manager. I provided Mr. Grewe with a copy of the draft resolution early in the week of June 29, so he could review it and suggest changes. His July 6 memo suggests adding three directives to the resolution:

1. Have MERC prepare a five year financial plan which estimates annual requirements and resources for the Spectator Facilities Fund.
2. Have MERC prepare a five-year capital plan for the facilities operated out of the Spectator Facilities Fund.
3. Provide for participation by City and Metro staffs in preparation of the financial management plan.

I have not incorporated Mr. Grewe's suggestions into the draft resolution, primarily because they go beyond the scope of my direction from the Committee. I do, however, think these suggestions warrant the Committee's consideration, and have asked Mr. Grewe to come to the Committee meeting on July 16 to discuss them with you if he is available.



CITY OF  
**PORTLAND, OREGON**  
OFFICE OF FINANCE AND ADMINISTRATION

J.E. Bud Clark, Mayor  
Stephen C. Bauer, Director  
1120 S.W. Fifth, Room 1250  
Portland, Oregon 97204  
(503) 796-5288  
FAX (503) 796-5384

July 6, 1992

To: Casey Short  
From: Tim Grewe  
Subject: Metro Resolution

I have reviewed the proposed resolution directing MERC to prepare for the Metro Council's review financial forecast information pertaining to the Spectator Facilities Fund. In general the directives as presently written should serve to provide base information for assessing alternatives for extending the duration of the fund's balance during the period in which an alternative revenue source is sought to support the operations of the Performing Arts Center and the Civic Stadium. However, I believe the directives can be strengthened by specifically requesting both a five year financial plan and a long-range capital plan. Preparation of this information will be necessary in order for MERC to fully respond to the directives as presently provided for in the resolution.

Specifically, I would suggest the additional of the following directives:

-MERC shall prepare for the Metro Council's review a five year financial plan estimating annual requirements and resources assuming no change in planned revenues, operating expenditures, and capital projects. The plan shall document the methodology and assumptions by major revenue and expenditure category used in developing the forecast. The plan shall also present forecast ranges based upon modifications to assumptions including a worse case, most likely, and best case scenario.

Discussion: Preparation of this plan will provide the base data which is necessary for examining alternative options for extending the fund balance. It should also serve to document growth in operational and capital deficits for the facilities. In this manner, the plan should assist in "pin pointing" the timing and amount of additional resources which will be required to sustain operations in future years. Finally it will give a snapshot of the future funding requirements that will need to be addressed in securing an alternative revenue source. Such a plan is absolutely necessary in order to respond to the directives as presently included within the Metro Council resolution.

-MERC shall prepare for Council review a five year Capital maintenance and improvement plan for all facilities operated out of the Facilities Fund. The plan shall document the methodology used in identifying capital requirements as well as the basis

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Urban Services Program  
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Affirmative Action Program  
Robert Phillips, Manager  
1220 S.W. Fifth Avenue, Room 104  
Portland, Oregon 97204  
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for prioritizing and scheduling the identified projects over the five year period.

Discussion: Based upon our recent meeting it is apparent that the MERC has already developed some type of capital plan. Therefore, responding to this directive should be a matter of documenting already completed work. Such a plan is an integral part of preparing the aforementioned five year financial forecast. That is the forecast cannot be completed without consideration of capital requirements. Similarly the plan will assist in assessing long term requirements for use in assessing alternative revenues sources. Delaying non-critical capital requirements also represents one alternative for extending the life of the Spectator Facility Fund balance.

During our recent meeting there appeared to be agreement that MERC should involve representatives from the City Bureau of Financial Planning, Metro Council staff, and Metro Executive staff in developing the methodology to be used in developing the financial forecast. The theory being if we are involved as full participants at the front end of the process it is more likely that the product will meet our collective expectations. To this end inclusion of the following directive may also be in order:

-In preparing the Five Year Financial and Capital Plans, MERC shall provide for the participation of staff representatives from the City of Portland Bureau of Financial Planning, the Metro Council, and the Metro Executive. This participation shall include review of the proposed methodology, assumptions, definitions and draft reports.

Discussion: Participation at the front end of this process should provide the MERC staff with an opportunity to discuss the forecasting methodology and format at a time when changes can be still be made. It provides an opportunity to constructively test assumptions to be incorporated into the forecast. Participation at the front end of the process should assist in building consensus and insuring that the final product meets the expectations of both the City and Metro. The Bureau of Financial Planning is prepared to fully participate in this effort and as necessary provide staff support and consultation.

I believe that the addition of these or similar directives will serve to strengthen the resolution and insure that the final product is responsive to the concerns of all involved parties. It should again be emphasized that the preparation of the financial and capital plans are in my estimation imperative in order for MERC to fully respond to the directive as presently contained within the Metro Council resolution.

Please do not hesitate to contact me if you have questions or require and additional clarification on these recommendations.

c.c. Steve Bauer  
Chrystella Byers  
Kathleen Johnson-Kuhn



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: June 25, 1992  
TO: Council Finance Committee  
FROM: Casey Short,<sup>CS</sup> Council Analyst  
RE: Draft Resolution No. 92-1648

Attached for your consideration is draft Resolution No. 92-1648, Directing the Metropolitan Exposition-Recreation Commission to Prepare a Plan for the Financial Management of the Spectator Facilities Fund.

At the Finance Committee's June 18, 1992 meeting I presented a report which outlined a series of issues related to the status of the Spectator Facilities Fund. The substance of that report is contained in the attached June 17 memo to the Finance Committee.

The result of the Committee's consideration of the report was unanimous approval of Councilor Gardner's motion to have staff prepare a resolution directing the Metro E-R Commission (MERC) to prepare a plan for the financial management of the Spectator Facilities Fund. That plan is to be prepared and delivered to Council for its consideration by November 1, 1992.

The attached Draft Resolution No. 92-1648 implements the Committee's direction. It calls for MERC to prepare a plan for the financial management of the Spectator Facilities Fund which addresses the following issues:

- recommends a minimum fund balance which should be retained in the Fund at the beginning of FY 1994-95, with justification for the amount recommended;
- describes how that recommended fund balance is to be achieved;
- recommends alternative actions for management of the Fund in two different circumstances: no source of operational funding is implemented by June 30, 1994; and a source of operational funding is implemented which is sufficient for operations but not for capital needs.

I will be available at the Committee meeting to discuss the issues and answer questions you may have. If you have any questions in the meantime, please do not hesitate to contact me.

cc: Metro Council  
Metro E-R Commission



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
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# Memorandum

DATE: June 17, 1992  
TO: Council Finance Committee  
FROM: Casey Short, Council Analyst  
RE: MERC Budget

The Finance Committee's June 18 agenda includes consideration of MERC Resolution #183, which establishes a new, three-tiered rent structure for PCPA. The purpose of this memo is to provide background information on this resolution and its potential effect on the Spectator Facilities Fund, and to outline actions the Council may wish to consider.

## MERC RESOLUTION #183

The Metropolitan Exposition-Recreation Commission approved Resolution #183 on June 8, establishing a three-tiered rent structure for the Portland Center for the Performing Arts (PCPA) facilities. These rental rates are for Fiscal Year 1992-93, and retroactively for FY 1991-92.

The existing rent structure at PCPA has only one rate, which all tenants are charged. Under the terms of MERC Resolution #183, that single rate will be charged to commercial, for-profit organizations. Rates for non-profit, non-resident groups will reflect a 15% discount from the commercial rate, and resident companies will receive a 67% discount for 91-92 and an 80% discount in 92-93, as shown below.

<u>Type of Tenant</u>	<u>Rental Rate, as percentage of full rate</u>	
	<u>91-92</u>	<u>92-93</u>
Commercial	100%	100%
Non-profit, non-resident	85%	85%
Resident Company	33%	20%

The impetus for this significant change in the rates came from the four major arts organizations (Oregon Symphony, Oregon Shakespeare Festival - Portland, Portland Opera, and Oregon Ballet Theater). Beginning in August, 1991, these groups have paid only one-third of rent and user fee charges to PCPA. Negotiations have continued sporadically since the "rent strike" began, leading to the rent structure in MERC Resolution #183.

The justification for the major arts organizations to take this dramatic step lay in their strongly-held belief that PCPA's rent was unjustifiably high. Most public performing arts facilities throughout the country offer reduced rates for resident companies, in an effort to recognize their value to the community and to help them survive financially. Arts groups such as symphonies, theater companies, and the like do not operate at a profit, and indeed require some form of subsidy to break even. There is also a concern about the structure of the user fee, which is a graduated, three-step surcharge on tickets. As indicated in the attached letter from Jerry Drummond on behalf of the arts organizations, this issue is still a concern but a process to resolve it is being developed. Exacerbating their discontent about PCPA's rent structure was their perception that certain for-profit organizations using other MERC facilities (i.e., the Portland Beavers and Trail Blazers) have gotten better deals than the non-profits.

It should also be noted that several local arts organizations of various sizes have significant operating deficits. Representatives of these groups point out, however, that reducing the rent will not solve their deficit problems. It will help, and is probably a necessary component of solving their financial problems, but it is not a bail-out. The driving factor behind the rent strike and the insistence on revising the rental charges was that PCPA's rent was simply out of line in comparison with similar facilities across the nation.

The projected effect of the new rates on Spectator Facilities Fund revenues is a decrease of \$400,000 in the current (91-92) fiscal year, and a decrease of \$500,000 in FY 92-93. If continued through FY 93-94, as envisioned in MERC's proposal to the arts organizations, the rates and revenues for that year would be the same as projected for 1992-93.

#### STATUS OF SPECTATOR FACILITIES FUND

MERC staff projects the balance in the Spectator Facilities Fund to be approximately \$4 million to start FY 92-93, up some \$500,000 from the budgeted amount of \$3.5 million. (This \$4 million balance includes an expected shortfall in PCPA rental revenues of \$400,000, reflecting the impact of the new rent structure.) The Approved 92-93 Budget shows the fund operating at a deficit of \$1.5 million: the budgeted beginning balance is \$3.5 million, and budgeted ending balance is \$2.0 million. The budget does not reflect the new rent structure, which would increase the deficit to \$1.8 million.

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<u>Spectator Facilities Fund</u>	<u>Budget</u>	<u>Projected*</u>
Beginning Balance 7/1/92	\$ 3,500,000	\$ 4,000,000
Operating Deficit 92-93	(1,500,000)	(2,000,000)
Projected Fund Balance 7/1/93	\$ 2,000,000	\$ 2,000,000
Operating Deficit 93-94	n/a	(1.8 - 2.0 mil.)
Projected Fund Balance 7/1/94		\$ 0 - 200,000

\*Projected deficit figures reflect MERC's proposed rent structure. PCPA budgeted revenues are \$980,000 in FY 91-92, and \$882,000 for 92-93; the latter number is \$200,000 lower than the original figure of \$1,082,000, because it deducts Metro's General Fund contribution to rent relief. Projected reductions are as follows:

<u>Year</u>	<u>Spectator Facilities Reduction</u>	<u>Metro General Fund Offset</u>	<u>Total Proposed Reduction</u>
1991-92	(\$ 400,000)	\$ 0	(\$ 400,000)
1992-93	(500,000)	200,000	(300,000)
1993-94	(500,000)	200,000**	(300,000)
Totals	(\$ 1,400,000)	\$ 400,000	(\$ 1,000,000)

\*\* The 1993-94 figures include a second year of Metro General Fund support for arts organizations at \$200,000. While this number is included in the assumptions, MERC has made it clear to the arts organizations that a second year of such support has not been committed and the 1993-94 rent relief figures are subject to the availability of funds.

As the above tables indicate, the Spectator Facilities Fund will be in danger of running out of money by the end of FY 93-94, and will certainly not be able to operate at current levels in FY 94-95 without additional revenues or reduced expenditures, or both. The proposed rent relief package has a significant role in changing the financial picture for the fund, reducing revenues by a million dollars over the three years, 1991-92 through 1993-94. In addition to this change, there is uncertainty regarding the Coliseum Fund's finances for FY 92-93. Under the terms of the Memorandum of Understanding on the new arena, any shortfall in the Coliseum Fund in its one year of existence must be covered by the Spectator Facilities Fund at year end.



CITY OF PORTLAND ISSUES

The Portland City Council has approved two resolutions concerning the MERC budget. The first approved the Proposed Budget with conditions, and the second disapproved the Council's Approved Budget until Metro responded to the conditions stated earlier. The Executive Officer has informed the City that she deems the budget approved because the City's disapproval does not conform to the terms of the Consolidation Agreement.

The City requested Metro to fulfill the following three conditions:

1. Presentation by Metro of a long-range financial plan to City Council identifying: a) plans for future expansion of revenues to support facilities after the Coliseum Fund balance is expended; b) actions taken to limit expenditures in order to lengthen the amount of time the Coliseum fund balance will subsidize the Stadium and PCPA and c) financial implications related to an alternative rent structure and revenue loss associated with ticket service revenues.
2. Presentation by Metro of long-range plans for the transfer of MERC staff to Metro and the expected impact on the autonomy of MERC.
3. Amendment of the Consolidation Agreement to transfer the Coliseum back to City jurisdiction in conjunction with the construction of the new Trailblazer Arena by OAC.

Regardless of the status of City approval or disapproval of the MERC budget, the City has a valid concern that a financial plan be developed for the Spectator Facilities and Coliseum Funds. While current Metro policy supports consolidated regional management of the system of regional facilities, the question looming on the horizon is how the system will be affected if operational funding is not secured before the fund balance is exhausted. One of the more viable options in that case would be to terminate the Consolidation Agreement and return the City-owned facilities to City management.

Nobody, least of all the City of Portland, is interested in facing the prospect of funding PCPA and the Stadium with General Funds, or having to shut down or severely curtail their operations. The City is therefore justifiably concerned that plans be made to address the financial viability of those facilities, in order to avoid the potential of their getting them back with no source of operational funding.

#### FACILITIES FUNDING TASK FORCE

The Metro Council established a Funding Task Force through adoption of Resolution No. 92-1590B in April, 1992. The Task Force's principal charge is "to recommend adequate long-term funding for the region's arts and entertainment facilities and programs."

The Funding Task Force expects to complete its work and make its recommendations to the Council and Executive Officer in late fall or winter of 1992-93. Their recommendations will likely propose a funding source that requires one or more of the following:

- Inclusion of broad financial authority in the Metro charter for Metro to levy a tax dedicated to operating the regional facilities system, and voter approval of such a charter;
- Changes in statute in the 1993 legislative session giving Metro authority to levy the recommended tax;
- Voter approval of a proposed tax.

Implicit in the assumptions regarding the imposition of a tax for the regional facilities system is Metro Council's approval, which is, of course, a decision for the Council to make in the future. Should Council decide to act on a financing plan - and the authority were in place - the opportunity to do so would be sometime in the 12 - 15 month period between the winter of 1993 and the May, 1994 primary election.

It is clear the system cannot continue to operate at or near current levels without new funds for ongoing operations. The Council has acknowledged that by establishing the Funding Task Force. It cannot be guaranteed, however, that any proposal from the Funding Task Force will be implemented. The uncertainty surrounding a funding proposal raises the question of whether the Council wants to address that uncertainty by establishing a policy governing Spectator Facilities Fund expenditures over the next two years and into FY 94-95.

#### SUMMARY

Funding is inadequate to sustain the operations of the PCPA and Civic Stadium through FY 1994-95. The MERC resolution on PCPA rental rates is justified as a measure of support for local arts organizations and to bring those rates into line with those of comparable facilities, but its effect on the Spectator Facilities Fund is to commit approximately 20-25% of the Fund's available

reserves through FY 1993-94. Projected operating deficits for the facilities operated through this fund will consume most, if not all, of those reserves in that period. The uncertain future of Memorial Coliseum and its uncertain financial picture for next year pose the potential for additional strain on this fund.

Establishment of a dedicated source of operational funding for the facilities is a priority of this agency, but it is not certain that such funding can be secured within the two years the reserves can be expected to last. This is not only a problem for Metro, but is also a concern to the City of Portland. The City still owns the facilities, and could again become responsible for them in the event funding does not become available.

The change in PCPA rental policy is a legitimate policy issue on its own, one which the Council may have wanted to examine under any circumstances. However, in the existing situation in which there is only a narrow window of opportunity to secure dedicated operational funding for the facilities before the fund reserves are exhausted, MERC's adoption of that policy serves as an appropriate vehicle to get the Council involved in the policy issues surrounding the Spectator Facilities Fund.

#### OPTIONS AND RECOMMENDATION

The following are the options Council staff has identified for the Council to consider:

1. Do nothing.

This option would allow MERC Resolution #183 to be implemented without Council review, and would have the Council take no action on the mid-range (2-3 years) budget issues of Civic Stadium and PCPA. It would implicitly acknowledge that no planning needs to be done to promote the financial viability of the Spectator Facilities Fund. This in turn leads to the following conclusions:

- The fund reserves will support the facilities until operational funding is secured, or
- The question of extending the life of the fund can be delayed until the 1993-94 budget process, or
- Failure to secure operational funding will not affect Metro, because the facilities could be returned to City of Portland management, and the City would have to solve the problem.

2. Request immediate Council review of MERC Resolution #183.

Review of the resolution would serve to involve the entire Council in the policy discussion surrounding both the rental policy and the broader fiscal policy. It would also serve to

delay implementation of the new rent structure until such time as the Council was satisfied that it could be implemented without placing undue strain on the Spectator Facilities Fund, or the rent structure could be modified to decrease its impact on the fund.

There are two drawbacks to this course of action that readily come to mind. First, it places the arts organizations in the middle of a policy debate among Metro, MERC, and, to some extent, the City of Portland. It is not those organizations that have caused the facilities financing problem, and they should not suffer because it is their issue that has happened to raise the problem to the policy level. Second, one could reasonably expect that failure to implement a more rational PCPA rental policy would only stiffen the arts organizations' resolve to continue withholding rent and user fees, and would probably make ultimate resolution of the problem more difficult. This could lead to a tenant-landlord confrontation that would hurt the community, and likely make it more difficult to get the funding the facilities need.

3. Terminate the Consolidation Agreement.

This option would return management responsibility for the City-owned facilities to the City, on July 1, 1993 or earlier if mutually agreed. It would imply that the issue is ultimately a City issue, and the City should have the authority to resolve it as it sees fit.

Such an action would undermine the very notion that there are advantages to managing spectator and performing arts facilities on a regional basis, and would effectively undo Metro's efforts to establish a system of regional facilities. It would also do nothing to resolve the problems, only transfer them to another jurisdiction.

Recommended Option

4. Direct MERC to prepare a financial plan which addresses the issues surrounding the Spectator Facilities Fund, and bring a recommended plan to the Council for review and approval; allow MERC Resolution #183 to go into effect.

This action would authorize implementation of the PCPA rent structure, arrived at through good faith negotiations between the affected parties and making a needed change to MERC policy. It would give Council the opportunity to establish policy direction for management of the fund, in conformance with the City's request for policy clarification and in cooperation with the Metro E-R Commission. It would allow Council to examine whether adjustments to its approved MERC budget might be necessary to accommodate changed financial circumstances and to increase the fund's flexibility to accommodate the uncertain future.

Components of the financial plan should include a target figure for a balance to begin FY 94-95, with justification for the target number proposed. It would then establish acceptable operating deficits which allow the target figure to be reached while maintaining adequate service levels. It should also propose contingency plans for adapting to different circumstances, including passage of a funding measure that addresses all the system's needs, implementation of a less comprehensive funding measure (such as a revision to the Multnomah County hotel/motel tax which would allow it to be used to support the regional facilities system, rather than just the Convention Center), and failure to secure additional funding. The financial plan should be ready within two months, which would give the Council the flexibility to adjust the budget if necessary.

Attachments:   MERC Rent Structure Proposal (June 4, 1992)  
                  Drummond Letter (June 8)  
                  MERC Resolution #183 (June 10)

**DRAFT**

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF DIRECTING THE	)	RESOLUTION NO. 92-1648
METROPOLITAN EXPOSITION-RECREATION	)	
COMMISSION TO PREPARE A PLAN FOR	)	INTRODUCED BY THE
THE FINANCIAL MANAGEMENT OF THE	)	FINANCE COMMITTEE
SPECTATOR FACILITIES FUND	)	

WHEREAS, Metro is responsible for the operation and management of the Portland Center for the Performing Arts (PCPA), Civic Stadium, and Memorial Coliseum (City facilities) under the terms of the December 19, 1989 Consolidation Agreement with the City of Portland; and

WHEREAS, The Consolidation Agreement stipulates that Metro's responsibility for management of City facilities is delegated to the Metropolitan Exposition-Recreation Commission (MERC); and

WHEREAS, The City facilities will operate out of the Spectator Facilities Fund through June 30, 1992; and

WHEREAS, Beginning July 1, 1992, Memorial Coliseum will operate out of a separate Coliseum Fund, and the PCPA and Civic Stadium will operate out of the Spectator Facilities Fund; and

WHEREAS, The July 1, 1992 Beginning Balance in the Spectator Facilities Fund is projected to be approximately \$4 million; and

WHEREAS, The 1992-93 budgeted operating deficit for the Spectator Facilities Fund is approximately \$1.5 million; and

WHEREAS, The Metro E-R Commission approved Resolution #183 on June 10, 1992, which establishes a three-tiered rental structure for PCPA; and

WHEREAS, The projected financial impact of the new PCPA rent structure is \$1.4 million for the FY 1991-92 through 1993-94 period; and

WHEREAS, Metro Council Resolution No. 92-1590B authorized creation of a Funding Task Force for Regional Facilities and Programs, whose principal charge is to recommend adequate long-term funding for the region's arts and entertainment facilities and programs; and

WHEREAS, The Funding Task Force is expected to present its recommendations to the Metro Council in the winter of 1992-93; and

WHEREAS, Metro does not now have the authority to levy certain regionwide taxes to support the capital and operational requirements of the Spectator Facilities Fund facilities; and

WHEREAS, The City of Portland has requested Metro to prepare a financial plan for the Spectator Facilities Fund which identifies how the Fund will be managed to maximize the time it will continue to support the PCPA and Civic Stadium; and

WHEREAS, The Council's Finance Committee on June 18, 1992 reviewed the effect of MERC Resolution #183 on the Spectator Facilities Fund and concluded that a plan for management of the Fund was necessary; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District directs the Metropolitan Exposition-Recreation Commission to prepare a plan for the financial management of the Spectator Facilities Fund, to be presented to the Metro Council no later than November 1, 1992, and which includes:

1. A recommended beginning fund balance for the Fund as of July 1, 1994, and justification for the amount recommended;

2. Actions recommended to achieve the recommended July 1, 1994 fund balance, through expenditure reductions, revenue increases, or a combination of the two;

3. Alternative actions recommended to manage the Fund in the following circumstances:

- No additional source of operational funding is implemented by June 30, 1994;

- A partial source of operational funding is implemented by June 30, 1994, which would be sufficient to continue operations at or near current levels for MERC facilities but which is insufficient for capital needs.

ADOPTED by the Council of the Metropolitan Service District  
this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

Jim Gardner, Presiding Officer