

A G E N D A

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METRO

MEETING: METRO COUNCIL REGULAR MEETING
DATE: February 8, 1996
DAY: Thursday
TIME: 2:00 p.m.
PLACE: Council Chamber

Approx. Time *		Presenter
2:00 PM	CALL TO ORDER AND ROLL CALL	
(5 min.)	1. INTRODUCTIONS	
(5 min.)	2. CITIZEN COMMUNICATIONS	
(5 min.)	3. EXECUTIVE OFFICER COMMUNICATIONS	
	4. CONSENT AGENDA	
2:15 PM (5 min.)	4.1 Consideration of Minutes for the January 25, 1996 Metro Council Meeting.	
	5. INFORMATIONAL ITEMS	
2:20 PM (20 min.)	5.1 Update on work done at Whitaker Pond by students and Whitaker Middle School.	Washington
2:40 PM (15 min.)	5.2 Report by Metro Auditor: Regional Environmental Management: Administration of Existing Contract for Waste Disposal Services	Dow
2:55 PM (15 min.)	5.3 Report by Metro Auditor: Review of Metro's Solid Waste Enforcement Unit.	Dow
	6. ORDINANCES - FIRST READINGS	
3:10 PM (5 min.)	6.1 Ordinance No. 96-632, Amending the FY 1995-96 Budget and Appropriations Schedule for the Purpose of Adopting the FY 1995-96 Supplemental Budget; and Declaring an Emergency.	
	7. ORDINANCES - SECOND READINGS	

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

Approx.
Time *

Presenter

3:15 PM (5 min.)	7.1	Ordinance No. 95-626A , Amending the FY 1995-96 Budget and Appropriations Schedule by Transferring \$45,000 From the Spectator Facilities Fund Contingency to the Performing Arts Center Personal Services to Add Four New Positions to Meet Unforeseen Increased Work Loads; and Declaring and Emergency.	McFarland
	8.	RESOLUTIONS	
3:20 PM (90 min.)	8.1	Resolution No. 95-2244 , For the Purpose of Amending Urban Reserve Study Areas	McLain
5:50 PM (10 min.)	9.	COUNCILOR COMMUNICATIONS	
6:00 PM		ADJOURN	

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

AGENDA ITEM: 4.1
MEETING DATE: February 8, 1996

Consideration of Minutes for the January 25, 1996 Metro Council Meeting.

AGENDA ITEM: 5.1
MEETING DATE: February 8, 1996

Update on work done at Whitaker Pond by students from Whitaker Middle School.

AGENDA ITEM: 5.2
MEETING DATE: February 8, 1996

Report by Metro Auditor: Regional Environmental Management: Administration
of Existing Contract for Waste Disposal Services

Metro
**Regional Environmental
Management:**
***Administration of Existing Contract
for Waste Disposal Services***

January 1996

A Report by the Office of the Auditor



METRO

Alexis Dow, CPA
Metro Auditor

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Executive Officer Mike Burton	

Executive Summary

The Office of the Metro Auditor has reviewed the effectiveness of the administration of the Waste Disposal Services Contract, a 20 year contract Metro signed with Oregon Waste Systems in April 1988. Under this contract, Oregon Waste Systems provides Metro with capacity to dispose 16,923,000 tons of mixed solid waste at Columbia Ridge Landfill, located 130 miles east of Portland near Arlington, Oregon. The contract expires in December 2009 or before that if Metro delivers its contractually allotted capacity of solid waste to Columbia Ridge. The Waste Disposal Services Contract is Metro's largest public contract, having a total value of about \$570 million. Metro's 1995-96 budgeted expenditures for this contract are \$19.7 million.

We found that Metro's Regional Environmental Management Department has generally effective systems and procedures for reviewing Oregon Waste Systems' billings and ensuring that both Oregon Waste Systems and Metro comply with the terms of the contract. However, we believe management should adopt additional measures to provide greater assurance that contract terms are carried out as intended. We summarize our findings and recommendations below:

- Due to small calculation errors, the base waste disposal rate applied by Oregon Waste Systems was understated by \$.01 per ton between April 1989 and March 1994, and it has been overstated by \$.02 per ton since then. The net effect of these errors was only about \$1,900 as of September 30, 1995. The Director of the Regional Environmental Management Department should negotiate a rate correction to ensure that Metro pays no more in disposal costs than necessary over the life of the contract.
- A provision of the March 1994 Amendment #4 to the contract requires Oregon Waste Systems to credit Metro for solid waste delivered to Columbia Ridge by certain other communities located in Oregon, Washington and Idaho. The Budget and Finance Division of the Regional Environmental Management Department does not have a formal procedure to verify the accuracy of these credits as part of its invoice review processes. We recommended that the Budget and Finance Division formalize a method

and document its determination that Oregon Waste Systems has provided proper billing credits to Metro in accordance with Amendment #4

- The personal computers used to record the date, time and weight of waste loads bound for Columbia Ridge Landfill have been placed inside small scalehouses that are located near the outbound scales at the transfer station. Due to the location and relatively weak construction of these scalehouses, we believe the computers inside them are unnecessarily vulnerable to damage or theft. The data on these computers is also susceptible to being altered or deleted. The Regional Environmental Management Department should consider implementing measures to reduce the risk of damage to the computers and their data.
- The waste transport contractor's shuttle drivers sometimes manually record the weights of waste loads bound for Columbia Ridge Landfill instead of using the automated scale system. These manually recorded loads usually occur when a scale or computer malfunctions. Regional Environmental Management does not have a procedure to help ensure that manually recorded loads actually occurred and that recorded weights are accurate. We recommend that Metro's scalehouse employees make sure that manually recorded loads match entries made in load logs maintained by the transfer station contractors. In addition, Metro should require the transport contractor's shuttle drivers to briefly describe the reason whenever transport invoices are manually prepared.
- Existing controls in place at Metro's transfer stations are not sufficient to prevent haulers or the public from using the waste transport contractor's entrances to the transfer stations in order to avoid Metro's weigh scales and disposal fees. Although we found no indications that a significant amount of unweighed waste has entered Metro's system, the Regional Environmental Management Department should consider adopting additional measures, such as security cameras or a greater Metro presence around the dumping and entrance areas, to better ensure that unweighed waste does not become a problem.

- The Regional Environmental Management Department does not have an adequate process for monitoring Metro's guarantee to deliver at least 90% of "acceptable" waste to Oregon Waste Systems each calendar year. We recommend that responsibility for monitoring Metro's performance against the 90% guarantee be assigned and that performance be assessed at least semiannually.
- The Regional Environmental Management Department should continue to carefully monitor waste flows into and out of each transfer station. The Department should also give added consideration to operational changes and the potential need for increasing Metro's oversight of activities at transfer stations.
- Present procedures provide reasonable assurance that waste quantities listed on Oregon Waste Systems' invoices are accurate. However, a greater certainty of invoice accuracy could be attained by implementing a review of waste load operational data.
- Currently, no regular verification of Oregon Waste Systems' compliance with insurance requirements of the Waste Disposal Services Contract occurs. This verification should be performed annually.

During the course of our review two other matters related to the Waste Disposal Services Contract were considered: the rate Metro pays for waste disposal under this contract and the net benefit, if any, from Amendment #4.

- The rate Metro pays under the Waste Disposal Services Contract is higher than the rates paid by most communities in the western United States. We were unable to identify any actions Metro could take to significantly reduce the rate.
- Oregon Waste Systems provides Metro with waste disposal services only. Oregon Waste Systems and other WMX Technologies subsidiaries provide many other Pacific Northwest communities with both waste transport and waste disposal services for a single rate. Due to the technical difficulties involved in determining the portion of WMX Technologies' rate under each contract that is attributable to disposal services only, we concluded that

Metro's net benefits from Amendment #4 cannot be accurately identified.

Staff members of the Regional Environmental Management Department provided us with excellent cooperation during the course of our review.

Background

Metro's involvement in the waste disposal industry began in 1980, when it took over responsibility for operating the St. Johns Landfill from the City of Portland. In 1987 about half of the region's solid waste was disposed of at St. Johns. Due to limited capacity at St. Johns and an agreement with the City of Portland, Metro had to close the landfill by 1991. Metro developed a new framework for handling the region's solid waste and in late 1987 it issued an Invitation to Bid for the waste disposal portion of the region's solid waste system. Agreements to operate Metro's transfer stations and to transport waste from the transfer stations to Columbia Ridge Landfill were separately bid.

Metro's bid specifications for the waste disposal contract required the successful bidder to provide 16,923,000 tons of mixed solid waste capacity beginning January 1990 and ending December 2009. Metro could extend the contract if the capacity had not been reached by the end of 2009. The landfill had to be located outside Metro's boundaries. The bidder would own and operate the landfill, and bear complete responsibility for complying with all federal, state and local laws. Metro agreed in the bid specifications to deliver to the contractor's designated disposal site a minimum of 90% of Metro's acceptable waste.

Although several companies expressed interest in making bids for Metro's waste disposal business, only one company, Oregon Waste Systems, actually submitted a bid. Oregon Waste Systems' proposal called for Metro to pay a fixed charge of \$150,245.83 per month plus \$19.50 for each ton of solid waste. The per ton rate would change annually based on changes in the Consumer Price Index. Oregon Waste Systems' disposal site is Columbia Ridge Landfill, located about 130 miles east of Portland near Arlington, Oregon. Metro awarded the waste disposal contract to Oregon Waste Systems (a subsidiary of WMX Technologies) in April 1988, but only after Metro and Oregon Waste Systems entered into another agreement, the Most Favorable Rate Agreement, in March 1988. In the Most Favorable Rate Agreement, Oregon Waste Systems agreed to charge Metro no more for waste

disposal than it charged to other public and private users of Columbia Ridge Landfill.

The current version of the Waste Disposal Services Contract is 297 pages long and incorporates the following documents:

- Instructions to Bidders
- Proposal
- Contract
- General Conditions
- Specifications
- Most Favorable Rate Agreement
- Addenda (Nos. 1 through 5)
- Amendments (Nos. 1 through 6)

Of the six amendments to the Waste Disposal Services Contract, Amendment #2 and Amendment #4 have had the most significant and lasting impact. In July 1990 Metro agreed in Amendment #2 to pay Oregon Waste Systems \$1.5 million to settle allegations that it had not fulfilled its contractual pledge to deliver 90% of the region's acceptable waste to Columbia Ridge Landfill during early 1990. The settlement was to be paid by increasing the waste disposal fee by \$.28 per ton, with annual adjustments tied to changes in the Consumer Price Index. Metro will continue to pay Oregon Waste Systems this supplemental rate until the \$1.5 million settlement amount has been paid off

In March 1994, Metro's former Executive Officer signed the controversial Amendment #4 to the Waste Disposal contract. Amendment #4 effected the following changes:

- Terminated the Most Favorable Rate Agreement and granted Metro billing credits based on the amount of waste delivered to Columbia Ridge Landfill by others.

- Relieved Metro of potential liability for delivering less than 90% of the region's solid waste to Columbia Ridge Landfill during 1991 through 1993.
- Reduced by 1/2% the annual adjustments to the disposal rate that are based on changes in the Consumer Price Index.

Amendment #4 has been neither ratified nor rescinded by the Metro Council.

Metro began delivering mixed solid waste to Columbia Ridge Landfill on January 2, 1990. From that date through July 1995, Metro transported 3,451,885 tons of waste to the landfill and paid Oregon Waste Systems \$92,180,000. The cumulative value of the Waste Disposal Services Contract over the full term of the contract is \$570,421,619. Metro's FY 1995-96 budget for waste disposal services is \$19,736,068. The Waste Disposal Services Contract is Metro's largest contract in dollar terms.

Responsibility for managing the Waste Disposal Services Contract is split among several divisions within the Regional Environmental Management Department. The Environmental Service Division maintains the scales used to weigh trailers bound for the landfill and helps ensure waste load information is accurately recorded and transmitted to the Budget and Finance Division. The Budget and Finance Division has primary responsibility for administering the contract, including verifying the accuracy of Oregon Waste Systems' monthly invoices. The Engineering and Analysis Division takes a lead role in negotiating changes to the contract.

Audit Objectives, Scope and Methodology

This review was performed in accordance with our annual audit plan. The primary objective of the audit is to determine whether the Regional Environmental Management Department is effectively administering the Waste Disposal Services Contract. A secondary objective is to identify opportunities to reduce Metro's waste disposal costs.

To gain an understanding of Metro's solid waste disposal system, we reviewed Metro solid waste management plans, budget submittals and other operating information. We read the Waste Disposal Services Contract and interviewed key personnel in the General Counsel's Office and the Regional Environmental Management Department.

During field work, we reviewed internal controls over the contract and performed numerous tests to determine if the controls were functioning as described. Since Metro's billings from Oregon Waste Systems are largely based on the quantity of mixed solid waste sent to Columbia Ridge Landfill from the transfer stations, we visited the transfer stations to help gain an understanding of controls over waste loads.

Our review was conducted from September through December 1995 in accordance with generally accepted government auditing standards.

Conclusions and Findings

The Regional Environmental Management Department has developed procedures to ensure that (1) Oregon Waste Systems' invoices are accurate, and (2) Metro and Oregon Waste Systems comply with the terms of the Waste Disposal Services Contract. Virtually all solid waste delivered to each transfer station is weighed on scales manned by Metro employees, and the quantity of waste delivered to Columbia Ridge Landfill each month closely reconciles to the amount of inbound waste recorded by Metro scalehouse employees. Invoice review practices are reasonably effective in ensuring that contract rates have been accurately applied and calculations have been performed correctly. All evidence evaluated indicates that Metro and Oregon Waste Systems have complied with the terms of the Waste Disposal Services Contract.

While contract administration measures have been generally adequate, improvements could be made in a number of areas to provide greater certainty that Metro pays no more for waste disposal services than necessary. Following are our findings and suggestions for improving these areas.

Disposal rate error *Oregon Waste Systems and Metro's Regional Environmental Management Department staff have made minor errors in calculating the waste disposal rate. As a result, the current disposal rate paid by Metro is slightly overstated.*

The Waste Disposal Services Contract specifies that Oregon Waste Systems will receive \$19.50 for each ton of solid waste disposed at Columbia Ridge Landfill, with annual changes to this base rate tied to changes in the Consumer Price Index. The base rate covered the initial year of the contract, which began in April 1988. Oregon Waste Systems proposes a new rate each year, and the Budget and Finance Division reviews Oregon Waste Systems' calculations to ensure they have been determined accurately and in accordance with the Waste Disposal Services Contract.

Due to errors that have been made since 1989, the current rate that Oregon Waste Systems charges Metro, \$25.15 per ton, is overstated by \$.02.

The first error occurred in April 1989. We believe it was due to incorrect rounding. The error resulted in an undercharge of \$.01 per ton for every ton delivered to OWS during April 1989 through March 1994, a total of \$24,841.76. Subsequently, in April 1994 another calculation error was made which produced a \$.02 per ton overcharge for every ton delivered to OWS during April 1994 through September 1995, a total of \$22,961.48. A faulty spreadsheet used by the Budget and Finance Division failed to detect this error. The following table summarizes the effects of these errors:

Year Ended	Rate per Ton		(Undercharge) / Overcharge		
	Actual Applied	Corrected	Per Ton	Annual Total	Cumulative Net
3/89	\$ 19.50	\$ 19.50	—	—	—
3/90	20.37	20.38	\$ (0.01)	\$ (829)	\$ (829)
3/91	21.39	21.40	(0.01)	(4,217)	(5,046)
3/92	22.59	22.60	(0.01)	(6,069)	(11,115)
3/93	23.47	23.48	(0.01)	(6,607)	(17,722)
3/94	24.29	24.30	(0.01)	(7,117)	(24,839)
3/95	24.78	24.76	0.02	15,602	(9,237)
9/95	25.15	25.13	0.02	7,359	(1,878)

The Budget and Finance Division told us they have corrected their spreadsheet so that it will accurately compute future rate changes. In addition to this action, we recommend that the Regional Environmental Management Department contact Oregon Waste Systems and negotiate a rate correction from \$25.15 to \$25.13 per ton to preclude unnecessary overpayments.

Credit to Metro for waste delivered to Columbia Ridge by others *The Budget and Finance Division does not have a formal procedure for determining if Oregon Waste Systems accurately credits Metro for waste delivered to Columbia Ridge Landfill by other local governments.*

Amendment #4 to the Waste Disposal Services Contract contains a provision that entitles Metro to a credit for every ton of solid waste delivered to Columbia Ridge Landfill by certain other local governments. The credit is currently set at \$1.02 for each ton of Seattle waste, and \$.52 for each ton of waste received from other local governments. During FY 1994-95, Metro's waste disposal costs were reduced by \$267,000 as a result of other governments' delivering their solid waste to Columbia Ridge.

Our review of invoice verification processes revealed that the Budget and Finance Division has not developed a formal procedure to ensure Oregon Waste Systems properly credits Metro for waste delivered to Columbia Ridge Landfill by other local governments. In our opinion, a procedure to verify the amount of waste being delivered to Columbia Ridge by others is needed, primarily to address the risk that Oregon Waste Systems might inadvertently understate the tonnage of non-Metro solid waste. We contacted three of the seven local governments that had their waste delivered to Columbia Ridge Landfill during January, May and July 1995 and two of them gave us information which confirmed Oregon Waste Systems accurately reported the amount of solid waste they sent to Columbia Ridge. The third government agreed to provide us with information but did not do so.

Better checks on accuracy of tonnage measurement *Additional invoice review procedures would help provide a higher level of assurance that Metro receives accurate information regarding the quantities of waste that are disposed of at Columbia Ridge Landfill.*

At the beginning of each month, Metro scalehouse personnel prepare data files containing information about every trailer load of waste transported from Metro's transfer stations to Columbia Ridge Landfill during the previous month. The information contained in these files includes the date and time

each load was weighed on the transfer station's outbound scales, the transfer station from which the load originated, the gross weight of the load, the tare weight of the shuttle vehicle and trailer combination that was used to weigh the load, and the net weight of the load. After preparing the data files, the scalehouse employees send copies of them to a Management Analyst in the Budget and Finance Division using Metro's electronic mail system. The Management Analyst downloads the information into a personal computer spreadsheet. She then compares the total tons of waste listed on the spreadsheet to a preliminary tonnage amount provided to her by Oregon Waste Systems. If the two tonnage figures do not match, she examines daily load reports and source documents (Transport Invoices) until the cause of the error is identified and corrected. If the tonnage figures do match, the Management Analyst contacts Oregon Waste Systems, which sends her an invoice. The Management Analyst then verifies rates, computations and other aspects of the invoice.

This process, in conjunction with scalehouse employees' comparing information contained in the data files with the information recorded on Transport Invoices, provides reasonable assurance that waste quantities listed on Oregon Waste Systems invoices are accurate. However, a greater certainty of invoice accuracy could be attained with minimal additional effort. By sorting waste load data by trailer number, Budget and Finance Division personnel could determine if trailer usage patterns are logical. For example, if any trailer is weighed on Metro's outbound scales more than once in a six hour period, either the trailer number has been erroneously recorded or the load did not occur. Load data from both transfer stations need to be combined to achieve a meaningful analysis.

Protecting computers and data *Measures should be taken to ensure the physical security of personal computers that are connected to each transfer station's outbound scales. Measures also should be taken to prevent the alteration or destruction of data recorded on these computers.*

Each Metro transfer station has two sets of scales: one set is for recording the weights of all solid waste loads delivered to

the stations by franchised haulers and the public; and the other set is for recording the weights of all trailers bound for Columbia Ridge Landfill from the transfer stations. The inbound scales are operated by Metro employees; the outbound scales are unmanned. The outbound scales at each station are not visible to the Metro's employees working in the inbound scalehouses. Connected to each outbound scale is a personal computer, which records the date, time and weight of each load placed on the scale. The personal computers are located in small scalehouses placed about 100 feet from the scales.

After the waste transport shuttle drivers type waste load information into the personal computer, they type in a short series of keystrokes that record the load data onto the computer's hard drive. Once a day, a waste transport contractor's employee runs a program on the computer that transfers all load data recorded for the day from the hard drive to a floppy diskette. The waste transport contractor's employee then takes the floppy diskette out of the computer, replaces it with a blank one, and takes the full one to the Metro scalehouse.

We have two concerns about this process. First, the scalehouses containing the outbound scale personal computers are not as sturdily constructed as the inbound scalehouses and are not visible to Metro's scalehouse employees. As a result, the computers are more vulnerable to theft or damage than they would be if the computers were located inside the inbound scalehouses. Second, we do not believe it is prudent to allow non-Metro persons to access and handle the floppy diskettes that waste load data is recorded on, since this increases the risk that data on the diskettes could be altered. It is suggested that Regional Environmental Management either move the computers back into the Metro operated in-bound scalehouses, or place them inside cabinets that would provide them with additional protection against damage. In either case, procedures should be changed to ensure that only Metro employees handle the floppy diskettes that contain load data.

Bypassing inbound scales to avoid paying Metro's fees *The Operations Division of the Regional Environmental Management Department should implement a control that would prevent unweighed waste from being taken into Metro's transfer stations.*

Each Metro transfer station has two main entrances: one that is used by franchised haulers and the public to take waste into the station; and another that is used by the waste transport contractor to load and weigh trailers bound for Columbia Ridge Landfill.

All mixed solid waste going into each transfer station should be weighed on the inbound scales operated by Metro personnel. Vehicles are weighed going into the dumping areas, then are weighed again after they have been emptied.

We observed there are no adequate measures in place to prevent haulers or the public from avoiding Metro's inbound scales and tipping fees by entering the transfer stations through the entrances used by the waste transport contractor's vehicles. The entrances used by the transport contractor are not visible to Metro personnel in the inbound scalehouses, and scalehouse personnel are primarily responsible for weighing vehicles containing inbound waste and collecting the appropriate fees.

Although analysis of waste flow reconciliations performed by Regional Environmental Management staff seems to indicate that unweighed waste is not a problem, we suggest that processes be put into place to prevent unweighed waste from entering each transfer station. Such processes could include placing cameras near the transport contractor entrances or reallocating staff resources to randomly monitor the outbound waste entrances.

Monitor 90% commitment *Clear assignment of responsibility for timely analysis of Metro's deliveries of mixed solid waste to area landfills would help ensure that Metro continues to comply with its contractual commitment to deliver 90% of "acceptable" waste to Oregon Waste Systems.*

As noted earlier in this report, Metro agreed in the Waste Disposal Contract to deliver to the contractor's disposal site a minimum of 90% of the acceptable waste delivered to any general purpose landfill during the year.

Discussions with Regional Environmental Management Department staff indicated that responsibility for monitoring Metro's compliance to the annual waste flow guarantee has been unclear since the prior Solid Waste Department Director left Metro early in 1995. Also, Metro's performance against the waste flow guarantee has been determined after the end of each calendar year, thereby precluding timely detection and correction of any noncompliance with the guarantee.

We recommend the Regional Environmental Management Department Director assign responsibility for monitoring Metro's performance against the annual waste guarantee provision of the Waste Disposal Services Contract. Metro's performance in complying with the guarantee should be calculated at least once prior to year-end to help ensure that Metro adheres to this provision of the Waste Disposal Contract.

Closely monitor operational data

The Regional Environmental Management Department should continue to carefully monitor waste flows into and out of each transfer station.

From the time a load of mixed solid waste is brought to one of the transfer stations until it is deposited in Columbia Ridge Landfill, it is handled almost entirely by contractors. The transfer station contractors operate the bulldozers used to push waste into the compactors, run the compactors, and push the loads into trailers. The waste transport contractor's truck drivers weigh the trailers on Metro's outbound scales, then drive the trailers to Columbia Ridge Landfill. Oregon Waste Systems empties the trailers at Columbia Ridge and operates all aspects of the landfill. Metro's only direct role in this waste disposal process is to weigh the solid waste being taken into each transfer station.

Given Metro's limited presence in the waste handling process, it is crucial that the Regional Environmental Management Department continue to closely compare incoming waste to

outgoing waste at each transfer station, and investigate the reasons for any significant differences. If differences arise and continue over several months' time, consideration should be given to increasing Metro's oversight of activities at the transfer stations. Also, any operational changes should be reflected in the comparisons. For example, if the operator of Metro South Transfer Station begins to salvage materials from the incoming waste stream that now go to Columbia Ridge Landfill, staff should consider weighing or estimating the weight of the recovered material and incorporating this data into their comparisons. It may be that the reconciliation method appropriate for one transfer station will substantially differ from the method appropriate for the other.

**Manually
recorded
transactions**

Better controls are needed over manually recorded outbound waste load transactions.

Due to occasional malfunctions of the outbound scales or the personal computers used to record waste load information, the waste transport shuttle drivers sometimes manually record waste load data that is ordinarily captured automatically. This data includes the date and time each trailer load was placed on the scale, together with its gross weight.

We found that the shuttle drivers are not required to document the reason for recording load information manually.

Furthermore, there is no procedure in place to help ensure manually recorded loads actually occurred. This can be accomplished by comparing the tonnage of outbound waste for days in which a significant number of manual loads were recorded to the tonnage of inbound waste recorded for that day.

We recommend that the shuttle drivers be required to briefly note the reason for hand recording the date, time and weight of outbound loads on Transport Invoices. In addition, for periods in which manual Transport Invoices are extensively used, the Budget and Finance Division should perform analyses to determine the likelihood that such loads actually occurred.

Compliance with contract's insurance requirements *Regional Environmental Management staff should annually verify Oregon Waste Systems has complied with the insurance requirements of the Waste Disposal Services Contract.*

The Waste Disposal Services Contract requires Oregon Waste Systems to maintain \$5 million in liability insurance coverage, and lesser amounts of other kinds of insurance. Although the contract does not obligate Oregon Waste Systems to provide Metro with proof of insurance, the Budget and Finance Division should obtain a certificate of insurance annually and verify that the coverage complies with the contract. Oregon Waste Systems' insurance coverage currently complies with the terms of the Waste Disposal Services Contract.

Other Issues

Can disposal costs be reduced? *Can Metro reduce the cost of disposing of its mixed solid waste?*

During the past year, Portland-area media have pointed out that waste disposal rates within Metro's boundaries are higher than those charged by virtually all other western US cities, and they have pinned much of the blame for this on Metro's waste disposal contract with Oregon Waste Systems. Indeed, one member of Metro's Regional Environmental Management staff told us that the market rates for disposing waste currently range from about \$18 per ton to \$22 per ton. Under its contract with Oregon Waste Systems, Metro pays about \$27.50 per ton for disposal only. Recent bids that were offered to Metro for both transport and disposal of Forest Grove area waste, which represents about 10% of the Metro's total solid volume, came in at about \$25 a ton.

It is clear that Metro's disposal costs are higher than those paid by other communities in this part of the United States. The question then becomes this: does Metro have any significant opportunities to reduce its costs under the Waste Disposal Services Contract?

After analyzing the Waste Disposal Services contract, performing a number of audit tests, and interviewing staff from Metro's Regional Environmental Management Department and General Counsel's Office, we conclude that Metro has no effective options at this time to significantly reduce its costs under the contract. We were told that Oregon Waste Systems has not significantly breached any part of the contract, nor did we uncover evidence to the contrary. The contract contains no provision entitling either party to rate relief in the event market rates for waste disposal move significantly higher or lower than the contractually set rate.

Impact of Amendment #4 *The net effect of Amendment #4 on Metro's waste disposal costs cannot be quantified to a reasonable level of certainty.*

The decision by Metro's former Executive Officer to sign Amendment #4 to the Waste Disposal Services Contract sparked considerable controversy regarding her legal authority to approve the Amendment without the Council's consent and the impact of the Amendment's provisions on Metro's waste disposal costs.

Amendment #4 accomplished the following:

- Terminated the Most Favorable Rate Agreement.
- Gave Metro a \$1.00 per ton credit for communities disposing of greater than 75,000 tons of waste at Columbia Ridge Landfill annually. The credit rises to \$1.50 per ton in 1996 and is subject to CPI adjustment;
- Gave Metro a \$.50 per ton credit, subject to CPI adjustment, for communities delivering less than 75,000 tons of waste to Columbia Ridge each year;
- Oregon Waste Systems agreed to waive any claims against Metro arising from assertions that Metro failed to deliver at least 90% of the region's waste to Columbia Ridge Landfill during 1991, 1992 and 1993;
- Gave Metro a one-half percent reduction in the annual Consumer Price Index adjustment to the disposal fee; and
- Eliminated Oregon Waste Systems' requirement to maintain a performance bond and a labor and materials bond.

After studying Amendment #4 and discussing its ramifications with staff from Metro's Regional Environmental Management Department and General Counsel's Office, we conclude that Amendment #4's affect on Metro's waste disposal costs cannot be quantified to a useful degree of certainty. We calculated that Metro saved about \$371,000 in FY 1994-95, or approximately 1.9% of Metro's total payments to Oregon Waste Systems from the one-half percent reduction in CPI adjustment and the credits for waste delivered to Columbia

Ridge Landfill by other communities. To compute the net effect of Amendment #4, the loss of benefits from the Most Favorable Rate Agreement must be netted against the \$371,000. This is where the analysis begins to lose its usefulness. First, Waste Management's disposal rates in contracts with other Northwest communities generally include transport and disposal, whereas Metro's contract with Oregon Waste Systems is for disposal services only. This makes it difficult, if not impossible, to compare rates and establish a most favorable rate. As a result, Metro received nominal monetary benefit under the Most Favorable Rate Agreement. Second, if Metro's savings under the Most Favorable Rate Agreement had been substantial, Waste Management would have had a larger incentive to divert waste from its non-Metro customers away from Columbia Ridge, either by starting another regional landfill or by purchasing landfill capacity from another landfill operator. We were told by one Regional Environmental Management staff member that Metro would have had much lower waste disposal costs under the Most Favorable Rate Agreement than it now has under Amendment #4, but only until Oregon Waste Systems succeeded in finding less expensive landfill capacity than Columbia Ridge.

Currently, Oregon Waste Systems is in the process of obtaining permits to construct a landfill in Adams County, Washington; however, we understand no final decision has been made.

Recommendations

1. The Director of the Regional Environmental Management Department, or his designee, should contact Oregon Waste Systems and request a correction to the current waste disposal rate from \$25.15 per ton to \$25.13.
2. The Budget and Finance Division should formalize a method to verify the accuracy of billing credits for waste delivered by others that Metro receives under Amendment #4 to the Waste Disposal Services Contract.
3. Additional security measures should be taken to prevent damage to or theft of the personal computers that are hooked to the outbound scales. Access to the diskettes used to store waste load data should be limited to Metro employees.
4. The Operations Division of the Regional Environmental Management Department should implement a control that would prevent unweighed waste from being taken into Metro's transfer stations.
5. Clear assignment of responsibility and timely analysis of Metro's deliveries of mixed solid waste to area landfills would help ensure that Metro continues to comply with its contractual commitment to deliver 90% of "acceptable" waste to Oregon Waste Systems.
6. The Regional Environmental Management Department should continue to carefully monitor waste flows into and out of each transfer station. The Department should also give added consideration to operational changes when analyzing inflow and outflow reconciliations, and should consider the potential need to increase Metro's oversight of activities at transfer stations.
7. Consideration should be given to implementing a review of waste load operational data as a means of providing a higher level of assurance that Metro receives accurate information regarding the quantities of waste disposed of at Columbia Ridge Landfill.

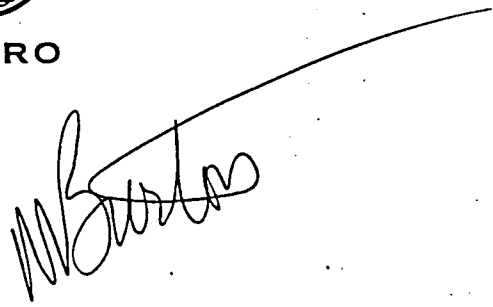
8. The Regional Environmental Management Department should require shuttle drivers to document the reason for manually recording waste load weights. In addition, for periods in which manual Transport Invoices are extensively used, the Budget and Finance Division should perform analyses that would help determine the likelihood that such loads actually occurred.
9. Regional Environmental Management staff should annually verify Oregon Waste Systems has complied with the insurance requirements of the Waste Disposal Services Contract.

Response to the Report



METRO

TO: Alexis Dow, CPA, Auditor

FROM: Mike Burton, Executive Officer 

DATE: January 22, 1996

RE: Response to Audit Report on the Waste Disposal Contract

The following constitutes the response of the Executive Officer and staff to the Audit Report on the Waste Disposal Contract by the Office of the Auditor.

I. CONCLUSION AND FINDING: "A DISPOSAL RATE ERROR."

The first conclusion and finding notes that staff have made minor errors in calculating the waste disposal rate. Staff are in agreement with the information presented. Staff have corrected the spreadsheet which allowed the 1994 rounding error to occur, and will indicate to OWS that a correction to the waste disposal rate is necessary.

II. CONCLUSION AND FINDING: "CREDIT TO METRO FOR WASTE DELIVERED TO COLUMBIA RIDGE BY OTHERS."

The Budget and Finance Division will formalize and document the procedures currently in place for verifying Amendment 4 credits. Budget and Finance Division and Administrative Services Accounting Division staff will include these matters in future audits that are performed on the Columbia Ridge Landfill as a Metro-Designated Facility.

III. CONCLUSION AND FINDING: "BETTER CHECKS ON ACCURACY OF TONNAGE MEASUREMENT."

This conclusion recommends that waste loads be sorted by trailer number. Budget and Finance will evaluate the information generated and determine whether such a data sort should be run quarterly, or at some other frequency.

IV. CONCLUSION AND FINDING: "PROTECTING COMPUTERS AND DATA."

The Environmental Services Division is presently investigating or putting into place specific measures that should alleviate the various concerns about computers and data expressed in this conclusion. The specific measures are as follows.

- 1.) Install security grates over windows in the outbound scalehouses.
- 2.) Provide a locking cover for the computer processing unit in the outbound scalehouses.
- 3.) Metro staff will run the "close-out procedure" each morning.
- 4.) Access to and handling of the "floppy diskette" will be restricted to Metro staff.

V. CONCLUSION AND FINDING: "BYPASSING INBOUND SCALES TO AVOID PAYING METRO'S FEES."

The Environmental Services Division is working on a project that should alleviate the concerns about bypassing scales expressed in this conclusion. Video cameras will be placed at both stations in the following areas: commercial and public tipping floors; all entrances and exits; all scales; all scalehouse transaction windows; and at the compactor chutes. These cameras will allow staff to randomly monitor activities during all hours of operation.

VI. CONCLUSION AND FINDING: "MONITOR 90% COMMITMENT."

Since the beginning of the waste disposal contract, the "90% commitment" has been a disputed and highly sensitive matter, under fairly constant discussion and review by the Office of General Counsel, the director and managers of the Regional Environmental Management Department, and Oregon Waste Systems. Of the four substantive amendments to the waste disposal contract, two speak directly to the 90% commitment (amendment 2 entered into in 1990, and amendment 4 entered into in 1994). Within this context, the 90% commitment has been monitored, analyzed and calculated with extreme care and sensitivity.

In consultation with the Office of General Counsel, the Budget and Finance Division is developing a procedure for routine monitoring and internal reporting of this matter.

VII. CONCLUSION AND FINDING: "MONITORING OPERATIONAL DATA MORE CLOSELY."

This conclusion recommends that Regional Environmental Management staff should continue to carefully monitor waste flows into and out of each transfer station. Regional Environmental Management staff agrees and will continue to do so.

VIII. CONCLUSION AND FINDING: "MANUALLY RECORDED TRANSACTIONS."

This conclusion recommends that drivers explain the reason for manually recorded transactions. Regional Environmental Management staff agrees with this recommendation and will implement such a procedure.

IX. CONCLUSION AND FINDING: "COMPLIANCE WITH CONTRACT'S INSURANCE REQUIREMENTS."

This conclusion recommends that Regional Environmental Management staff obtain a certificate of insurance and verify compliance. Budget and Finance staff agrees and will make such a request upon expiration of current insurance certificates.

X. OTHER ISSUES: "CAN DISPOSAL COSTS BE REDUCED?"

We are in general agreement with the commentary on this issue. The Executive Officer has directed Regional Environmental Management staff to study and develop methods of reducing the impact of the current waste disposal rates, and that study and development process is presently under way.

XI. OTHER ISSUES: "IMPACT OF AMENDMENT #4."

The commentary on this issue indicates the value of amendment 4 cannot be quantified, but some of the language in the commentary directly demonstrates the value of the amendment.

First, Waste Management's disposal rates in contracts with other Northwest communities generally include transport and disposal, whereas Metro's contract with Oregon Waste Systems is for disposal systems only. This makes it difficult, if not impossible, to compare rates and establish a most favorable rate.

This point demonstrates one of the primary difficulties with enforcing the Most Favorable Rate Agreement, namely, if Metro could not show that another customer paid a lower disposal rate, Metro got no compensation. Metro did in fact encounter this very difficulty; this raises the rather fundamental question of whether the Most Favorable Rate Agreement had much if any value. If the Most Favorable Rate Agreement had nominal if any value, then whatever increased revenue has been generated from Amendment 4 is a possible indication of its value.

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AGENDA ITEM: 5.3
MEETING DATE: February 8, 1996

Report by Metro Auditor: Review of Metro's Solid Waste Enforcement Unit

Note: Materials for this item will be available in the Council Office
Monday, Feb. 5, 1996. Please call 797-1542 for copies.

AGENDA ITEM: 6.1
MEETING DATE: February 8, 1996

Ordinance No. 96-632
FIRST READING

**Ordinance No. 96-632, Amending the FY 1995-96 Budget and Appropriations
Schedule for the Purpose of Adopting the FY 1995-96 Supplemental Budget;
and Declaring an Emergency.**

STAFF REPORT

→ IN CONSIDERATION OF RESOLUTION NO. 96-2278 APPROVING THE FY 1995-96 SUPPLEMENTAL BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION, AND ORDINANCE NO. 96-632 AMENDING THE FY 1995-96 BUDGET AND APPROPRIATIONS SCHEDULE FOR THE PURPOSE OF ADOPTING THE FY 1995-96 SUPPLEMENTAL BUDGET, AND DECLARING AN EMERGENCY

Date: January 29, 1996

Presented by: Pat LaCrosse
Heather Teed

FACTUAL BACKGROUND AND ANALYSIS

A supplemental budget is necessary due to unforeseen circumstances that require changes in our financial planning. These Council actions are presented toward adopting a supplemental budget for FY 1995-96. Ordinance No. 96-632 revises the FY 95-96 budget and appropriations schedule to recognize an additional \$2.5 million in revenue and \$355,734 in beginning fund balance at Expo Center, to be used for the current fiscal year's expenses in constructing a new building at Expo and to increase contingency. The \$2.5 million is to be raised through issuance of a privately placed bond backed by future Expo revenues. Issuance of this bond will be subject to Council approval. This Ordinance is presented at this time but is not intended to be adopted until after the Tax Supervising and Conservation Commission (TSCC) conducts a public hearing. TSCC review is required under Oregon Budget Law because total appropriations are being increased by more than ten percent of the value of the fund's adopted expenditures. Resolution No. 96-2278 approves the Supplemental Budget and transmits the approved budget to the TSCC. Specific changes to the budget under this proposal are explained below.

The Expo Center is in need of both extensive renovation to the existing facility, as well as expansion of the facility to improve business opportunities. If expansion and renovation are to take place as recommended, expansion should come first so there will be a facility for Expo's clients to use while the current facility is closed for renovation. This supplemental budget will provide appropriation authority to begin construction in this fiscal year, to meet the goal of completing the new facility with 120,000 square feet of exhibit space by March of 1997. The source of funds to begin work this year is to be a privately placed bond. Such a bond is different from more typical bonds that are issued through competitive bid or negotiated sale, in that purchase of the bond and terms for repayment are negotiated with one buyer prior to the bond's issuance. Metro is in discussions with a likely purchaser of the bond, and there is the expectation that a final agreement will be concluded within a month.

The expansion project is estimated to cost \$13 million. Funding sources for the project are as follows:

Oregon Convention Center fund balance	\$ 9.0 million
Expo Center fund balance	\$ 1.0 million
Bond proceeds	\$ 2.5 million
<u>Grant or loan from unidentified source</u>	<u>\$ 0.5 million</u>
TOTAL	\$13.0 million

The money from the OCC and Expo fund balances cannot be made available before July 1, 1996, as those funds are budgeted this fiscal year as Unappropriated Balance and cannot be expended under Oregon Budget Law. The Executive's Proposed Budget will propose the use of these funds for this project. The Convention Center funds must be approved for use on this project by Multnomah County, whose hotel/motel tax ordinance now precludes the use of the tax proceeds beyond the Convention Center. Discussions with the County on this matter are currently taking place. Finally, discussions are also under way to determine a source of the final \$500,000 if those funds are needed to complete the project.

The project schedule calls for actual construction to begin in June of 1996. Prior to that, architectural and engineering work will be done to prepare the site and draw plans for the building. MERC has authorized execution of a contract for architectural services with Yost Grube Hall, P.C., who is working on the project now. The process also calls for a general contractor to be retained early in the process, and to be included in design development work to reduce project costs and accelerate project completion. Preliminary projections anticipate expenditure or commitment of over \$1.7 million on the project by June 1, primarily on design and engineering work; MERC staff also expects to order the steel for the project this fiscal year, which may require some up-front payment in May or June.

SUMMARY OF BUDGET IMPACT

Specific line item changes and appropriation modifications are provided in Exhibits A and B to the Ordinance. The following is a summary of the changes requested in the Supplemental Budget for FY 1995-96:

<u>Resources</u>	Regional Parks & Expo Fund
• Beginning Fund Balance	\$ 355,734
• <u>Loan Proceeds</u>	<u>\$2,500,000</u>
TOTAL RESOURCES	\$2,855,734
<u>Requirements</u>	
• Capital Outlay	\$2,500,000
• <u>Contingency</u>	<u>\$ 355,734</u>
TOTAL REQUIREMENTS	\$2,855,734

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 96-2278 approving the Supplemental Budget and transmitting the Approved Supplemental Budget to the Tax Supervising and Conservation Commission. In addition, following TSCC review and certification, the Executive Officer recommends adoption of Ordinance No. 96-632, adopting the FY 1995-96 Supplemental Budget, recognizing the increases in operating revenues and requirements for the Expo portion of the Regional Parks & Expo Fund to facilitate construction of a new facility at the Expo Center and to increase contingency.

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY)
1995-96 BUDGET AND APPROPRIATIONS)
SCHEDULE FOR THE PURPOSE OF)
ADOPTING THE FY 1995-96)
SUPPLEMENTAL BUDGET, AND)
DECLARING AN EMERGENCY)

ORDINANCE NO. 96-632
Introduced by Executive Officer
Mike Burton

WHEREAS, Conditions exist which had not been ascertained at the time of the preparation of the FY 1995-96 budget, and a change in financial planning is required; and

WHEREAS, The Multnomah County Tax Supervising and Conservation Commission held its public hearing on the Supplemental Budget of Metro for the fiscal year beginning July 1, 1995, and ending on June 30, 1996; and

WHEREAS, Recommendations from the Tax Supervising and Conservation Commission have been received and acted upon, as reflected in the Supplemental Budget and Schedule of Appropriations; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 1995-96 Budget and Schedule of Appropriations are hereby amended as shown in the column titled "Revision" of Exhibits A and B to this Ordinance.

This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____, 1996.

Jon Kvistad, Presiding Officer

ATTEST:

Recording Secretary

EXHIBIT A
ORDINANCE NO. 96-632
FY 1995-96 SUPPLEMENTAL BUDGET

Regional Parks and Expo Fund

		FISCAL YEAR 1995-96							
		ADOPTED BUDGET		REVISED BUDGET		REQUESTED CHANGE		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Resources									
<u>Resources</u>									
305000	Fund Balance - general (Intergovt Rev)		0		0		0		0
391010	Trans. of Resources from General Fund		0		0		0		0
REGIONAL PARKS & GREENSPACES									
305000	Fund Balance - Unrestricted		288,000		288,000		0		288,000
305000	Fund Balance - restricted		143,196		143,196		0		143,196
322000	Boat Ramp Use Permit		930		930		0		930
331110	Federal Grants-Operating-Direct		0		0		0		0
	National Parks Service		0		0		0		0
	U.S. Fish & Wildlife Service (Years 1 & 2)		58,428		58,428		0		58,428
	U.S. Fish & Wildlife Service (Year 3)		336,813		336,813		0		336,813
	U.S. Fish & Wildlife Service (Year 4)		374,716		374,716		0		374,716
331120	Federal Grants-Operating-Indirect		0		0		0		0
	NSF/Saturday Academy		0		0		0		0
	FHWA/CMAQ		42,500		42,500		0		42,500
331300	Federal Grants-Capital		0		0		0		0
334110	State Grants-Operating-Direct		0		0		0		0
	Oregon State Parks		0		0		0		0
	Oregon State Marine Board		0		65,000		0		65,000
337210	Local Grants-Operating-Direct		0		0		0		0
	Portland Parks		5,000		5,000		0		5,000
	Tualatin Hills Parks & Recreation District		0		0		0		0
	Lake Oswego (trails)		0		0		0		0
	Portland Parks (trails)		0		0		0		0
	Milwaukie (trails)		0		0		0		0
	Gresham		500		500		0		500
	City of Portland, IPA/EPA		4,500		4,500		0		4,500
	Local governments		0		0		0		0
	Bybee-Howell		0		0		0		0
338000	Local Gov't Shared Revenues-R.V. Registration Fees		249,394		249,394		0		249,394
338200	Local Gov't Shared Revenues		140,000		140,000		0		140,000
339200	Intergovernmental Revenue (County transfer 1/1/94)		0		0		0		0
339200	Contract Services		1,315,662		1,315,662		0		1,315,662
339300	Government Contributions		10,500		22,500		0		22,500
341700	Cemetery Services		111,395		111,395		0		111,395
341710	Cemetery Sales		60,791		60,791		0		60,791
347100	Admissions		287,250		287,250		0		287,250
347110	User Fees		0		0		0		0
347120	Reservation Fees		100,930		100,930		0		100,930
347151	Annual Passes		0		0		0		0
347152	Family Camp Fees		25,116		25,116		0		25,116
347153	Group Camp Fee		6,047		6,047		0		6,047
347220	Rental-Buildings		23,023		23,023		0		23,023
347300	Food Service		4,093		4,093		0		4,093
347810	Management Fee Income - Glendoveer income		692,028		692,028		0		692,028

**EXHIBIT A
ORDINANCE NO. 96-632
FY 1995-96 SUPPLEMENTAL BUDGET**

Regional Parks and Expo Fund

		FISCAL YEAR 1995-96							
		ADOPTED BUDGET		REVISED BUDGET		REQUESTED CHANGE		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Resources									
347830	Contract Revenue - Glendoveer Lease		18,977		18,977		0		18,977
347840	Concessions Revenue		7,348		7,348		0		7,348
347900	Other Miscellaneous Revenue		22,834		22,834		0		22,834
347960	Boat Launch Fees		128,372		128,372		0		128,372
361100	Interest Earned		13,685		13,685		0		13,685
365100	Donations & Bequests		0		0		0		0
373500	Sale of Proprietary Assets		17,170		17,170		0		17,170
391010	Trans. of Resources from General Fund		533,709		533,709		0		533,709
391010	Trans. of Res. from Gen'l Fund (landbanking)		0		87,180		0		87,180
391010	Trans. of Res. from Gen'l Fund (earned on Parks/Expo)		213,329		213,329		0		213,329
391140	Trans. Resources from Planning Fund		0		0		0		0
393150	Trans. Direct Costs from Open Spaces Fund		64,132		64,132		0		64,132
393761	Trans. Direct Costs from Smith & Bybee Lakes Fund		50,470		50,470		0		50,470
393765	Trans. Direct Costs from Regional Parks Trust Fund		4,000		4,000		0		4,000
EXPO CENTER									
305000	Fund Balance - Unrestricted								
	* Unrestricted		272,348		272,348		355,734		628,082
	* Capital Requirements		133,000		133,000		0		133,000
	* Renewal & Replacement		700,000		700,000		0		700,000
339200	Contract & Professional Services		0		0		0		0
347220	Rental-Buildings		562,051		562,051		0		562,051
347230	Rental-Equipment		0		0		0		0
347300	Food Service		1,221,400		1,221,400		0		1,221,400
347311	Food Service-Concessions		0		0		0		0
347320	Food Service-Catering		0		0		0		0
347600	Utility Services		46,511		46,511		0		46,511
347620	Utility Services-Telephone		0		0		0		0
347700	Commission Revenue		0		0		0		0
347900	Other Miscellaneous Revenue		40,851		40,851		0		40,851
361100	Interest Earned		66,000		66,000		0		66,000
372100	Reimbursements-Labor		30,523		30,523		0		30,523
374000	Parking Fees		681,302		681,302		0		681,302
385600	Loan Proceeds		0		0		2,500,000		2,500,000
TOTAL FUND RESOURCES			9,108,824		9,273,004		2,855,734		12,128,738

EXHIBIT A
ORDINANCE NO. 96-632
FY 1995-96 SUPPLEMENTAL BUDGET

Regional Parks and Expo Fund

		FISCAL YEAR 1995-96							
		ADOPTED BUDGET		REVISED BUDGET		REQUESTED CHANGE		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Regional Parks and Greenspaces									
Total Personal Services		46.60	1,832,791	47.10	1,860,171	0.00	0	47.10	1,860,171
Total Materials & Services			1,736,830		1,902,130		0		1,902,130
Total Capital Outlay			1,174,700		1,166,200		0		1,166,200
TOTAL REGIONAL PARKS EXPENDITURES		46.60	4,744,321	47.10	4,928,501	0.00	0	47.10	4,928,501
Expo Center									
Total Personal Services		11.83	525,266	11.83	525,266	0.00	0	11.83	525,266
Total Materials & Services			1,233,245		1,233,245		0		1,233,245
<u>Capital Outlay</u>									
571200	Purchases-Improvements		75,000		75,000		0		75,000
571300	Buildings, Exhibits & Related		80,000		80,000		0		80,000
571400	Equipment and Vehicles		31,200		31,200		0		31,200
571500	Purchases-Office Furniture & Equipment		5,250		5,250		0		5,250
574120	Architectural Services		0		0		1,000,000		1,000,000
574130	Engineering Services		0		0		1,500,000		1,500,000
Total Capital Outlay			191,450		191,450		2,500,000		2,691,450
TOTAL EXPO CENTER EXPENDITURES		11.83	1,949,961	11.83	1,949,961	0.00	2,500,000	11.83	4,449,961
General Expenses									
Total Interfund Transfers			640,736		640,736		0		640,736
<u>Contingency and Unappropriated Balance</u>									
599999	Contingency								
	* Undesignated		333,265		313,265		355,734		668,999
	* Open Spaces Bonds		64,132		64,132		0		64,132
599990	Unappropriated Balance		0		0		0		0
	* Undesignated		636,409		636,409		0		636,409
	* Expo Center Renewal & Replacement		740,000		740,000		0		740,000
Total Contingency and Unappropriated Balance			1,773,806		1,753,806		355,734		2,109,540
TOTAL FUND REQUIREMENTS		58.43	9,108,824	58.93	9,273,004	0.00	2,855,734	58.93	12,128,738

Exhibit B
Ordinance No. 96-632
FY 1995-96 SCHEDULE OF APPROPRIATIONS

	FISCAL YEAR 1995-96			
	ADOPTED BUDGET	REVISED BUDGET	REQUESTED CHANGE	PROPOSED BUDGET
REGIONAL PARKS AND EXPO FUND				
Regional Parks and Greenspaces				
Personal Services	1,832,791	1,860,171	0	1,860,171
Materials & Services	1,736,830	1,902,130	0	1,902,130
Capital Outlay	1,174,700	1,166,200	0	1,166,200
Subtotal	4,744,321	4,928,501	0	4,928,501
Expo Center				
Personal Services	525,266	525,266	0	525,266
Materials & Services	1,233,245	1,233,245	0	1,233,245
Capital Outlay	191,450	191,450	2,500,000	2,691,450
Subtotal	1,949,961	1,949,961	2,500,000	4,449,961
Interfund Transfers	640,736	640,736	0	640,736
Contingency	397,397	377,397	355,734	733,131
Unappropriated Balance	1,376,409	1,376,409	0	1,376,409
Total Fund Requirements	\$9,108,824	\$9,273,004	\$2,855,734	\$12,128,738

All Other Appropriations Remain As Previously Adopted

AGENDA ITEM: 7.1
MEETING DATE: February 8, 1996

Ordinance No. 95-626A, Amending the FY 1995-96 Budget and Appropriations Schedule by Transferring \$45,000 From the Spectator Facilities Fund Contingency to the Performing Arts Center Personal Services to Add Four New Positions to Meet Unforeseen Increased Work Loads; and Declaring and Emergency.

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 1995-96)	ORDINANCE NO. 95-626A
BUDGET AND APPROPRIATIONS)	
SCHEDULE BY TRANSFERRING \$90,000)	
<u>\$45,000</u> FROM THE SPECTATOR FACILITIES)	Introduced by
FUND CONTINGENCY TO THE)	J. Ruth McFarland,
PERFORMING ARTS CENTER PERSONAL)	Presiding Officer
SERVICES TO ADD FOUR NEW POSITIONS)	
TO MEET UNFORESEEN INCREASED)	
WORK LOADS; AND DECLARING AN)	
EMERGENCY)	

WHEREAS, The Metro Council has reviewed and considered the need to transfer appropriations with the FY 1995-96 Budget; and

WHEREAS, The need for a transfer of appropriation has been justified; and

WHEREAS, Adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS;

1. That the FY 1995-96 Budget and Schedule of Appropriations are hereby amended as shown in the column titled "Revision" of Exhibits A and B to this Ordinance for the purposes of transferring ~~\$90,000~~ \$45,000 from the Spectator Facilities Fund Contingency to the Performing Arts Center personal services and adding four new full time positions beginning ~~January~~ April 1, 1996.

2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this ____ day of _____, 19956.

~~J. Ruth McFarland, Presiding Officer~~
~~Jon Kvistad, Presiding Officer~~

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

**Exhibit A
Ordinance No. 95-626A**

FISCAL YEAR 1995-96		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Spectator Facilities Operating Fund							
Civic Stadium Operations							
TOTAL CIVIC STADIUM EXPENDITURES		17.41	2,134,196	0.00	0	17.41	2,134,196
Performing Arts Center Operations							
<u>Personal Services</u>							
511121 SALARIES-REGULAR EMPLOYEES (full time)							
	PCPA Director	1.00	68,575		0	1.00	68,575
	Sales/Marketing Manager		0		0		0
	Sales Representative	1.00	40,369		0	1.00	40,369
	Event Services Manager	1.00	44,299		0	1.00	44,299
	Operations Engineer		0		0		0
	Asst Operations Mgr (formerly Asst Technical Services Mgr)	1.00	42,127		1,250	1.00	43,377
	Building Maintenance Supervisor	1.00	34,592		0	1.00	34,592
	Ticket Service Manager	1.00	42,432		0	1.00	42,432
	Assistant Ticket Services Manager		0		0		0
	Ticket Service Supervisor I		0		0		0
	Ticket Service Supervisor II	4.00	134,157	0.25	7,000	4.25	141,157
	Volunteer Coordinator	1.00	33,724		0	1.00	33,724
	Development Project Manager	0.32	19,008		0	0.32	19,008
	Admissions Scheduling Coordinator	0.45	14,840		0	0.45	14,840
	Operations Manager		0		0		0
	Assistant Special Services Manager-Admissions		0		0		0
	Group Sales Coordinator		0		0		0
	Operations Manager (formerly Technical Services Mgr)	1.00	51,639		1,250	1.00	52,889
	Stage Manager		0	0.25	9,000	0.25	9,000
	Operations System Assistant		0	0.25	7,000	0.25	7,000
	Senior House Manager	1.00	38,458		0	1.00	38,458
	Assistant Special Services Manager-Sec./Medical		0		0		0
	Construction/Capital Projects Manager	0.10	6,006		0	0.10	6,006
	Security Services Supervisor	0.06	1,925		0	0.06	1,925
	Assistant Security Services Supervisor	0.06	1,660		0	0.06	1,660
	Facility Security Supervisor		0		0		0
511221 WAGES-REGULAR EMPLOYEES (full time)							
	Utility Lead	3.00	90,378		0	3.00	90,378
	Receptionist	1.00	26,384		0	1.00	26,384
	Administrative Secretary	1.00	29,142		0	1.00	29,142
	Secretary	2.00	54,114		0	2.00	54,114
	Secretary		0		0		0
	Marketing Associate		0		0		0
	Facility Security Agent	2.00	53,093		0	2.00	53,093
	Operating Engineer	2.00	81,014	0.25	10,500	2.25	91,514
	Bookkeeper	1.00	27,035		0	1.00	27,035
	Stagedoor Security	0.00	0		0	0.00	0
	Event Services Clerk	0.45	9,756		0	0.45	9,756
	House Manager I		0		0		0
	Utility Maintenance		0		0		0
	Booking Coordinator	1.00	31,357		0	1.00	31,357
511225 WAGES-REGULAR EMPLOYEES (part time)							
	Stagehand/Utility Workers		0		0		0
	Security/Medical Workers	0.77	18,795		0	0.77	18,795
	Ushers/Gate Attendants/Supervisor		0		0		0
	Ticket Sellers/Supervisors	5.50	103,917		0	5.50	103,917
	House Managers/Coat Check/Elevator Op	2.68	92,091		0	2.68	92,091
	Event Custodians	5.03	96,314		0	5.03	96,314
	Engineers	1.43	54,876		0	1.43	54,876

**Exhibit A
Ordinance No. 95-626A**

FISCAL YEAR 1995-96		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Spectator Facilities Operating Fund							
	Receptionist/Secretarial		0		0		0
	Merchandising Vendors		0		0		0
	Checkroom Attendants	2.26	41,532		0	2.26	41,532
511255	WAGES-REGULAR EMP REIMBURSED (part-time)						
	Stagehands	28.99	946,240		0	28.99	946,240
	Security/Medical	4.35	106,855		0	4.35	106,855
	Elevator Operators	1.56	24,755		0	1.56	24,755
	Admissions Supervisors	1.16	26,926		0	1.16	26,926
	Gate Attendants	4.33	78,016		0	4.33	78,016
	Ushers	24.97	349,086		0	24.97	349,086
511400	OVERTIME		35,500		0		35,500
512000	FRINGE		708,237		9,000		717,237
	Service Reimbursement-Workers Comp		0		0		0
Total Personal Services		110.47	3,659,224	1.00	45,000	111.47	3,704,224
Total Materials & Services			1,311,123		0		1,311,123
Total Capital Outlay			150,000		0		150,000
TOTAL PERFORMING ARTS CENTER EXPENDITURES		110.47	5,120,347	1.00	45,000	111.47	5,165,347
General Expenses							
Total Interfund Transfers			710,464		0		710,464
Contingency and Unappropriated Balance							
599999	Contingency		237,601		(45,000)		192,601
599990	Unappropriated Balance		1,692,013		0		1,692,013
Total Contingency and Unappropriated Balance			1,929,614		(45,000)		1,884,614
TOTAL SPECTATOR FACILITIES FUND EXPENDITURES		127.88	9,894,621	1.00	0	128.88	9,894,621

Exhibit B
Ordinance No. 95-626A
FY 1995-96 SCHEDULE OF APPROPRIATIONS

	Current Appropriation	Revision	Proposed Appropriation
SPECTATOR FACILITIES OPERATING FUND			
Personal Services	4,346,395	45,000	4,391,395
Materials & Services	2,388,073	0	2,388,073
Capital Outlay	520,075	0	520,075
Interfund Transfers	710,464	0	710,464
Contingency	237,601	(45,000)	192,601
Unappropriated Balance	1,692,013	0	1,692,013
Total Fund Requirements	\$9,894,621	\$0	\$9,894,621

All Other Appropriations Remain As Previously Adopted

REVISED STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 95-626A AMENDING THE FY 1995-96 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERRING \$90,000 \$45,000 FROM THE SPECTATOR FACILITIES FUND CONTINGENCY TO THE PERFORMING ARTS CENTER PERSONAL SERVICES TO ADD FOUR NEW POSITIONS TO MEET UNFORESEEN INCREASED WORK LOADS; AND DECLARING AN EMERGENCY.

Date: January 18, 1996

Presented by: Heather Teed

PROPOSED REVISION

Following the original submission of Ordinance No. 95-626, two events have occurred that bring about a request to reduce, by half, the ordinance's transfer from PCPA contingency. The first event was a delay in consideration of the ordinance, caused by a weather-related cancellation of the Regional Facilities Committee meeting in December. Delay in consideration has resulted in the inability to fill the requested positions by the January 1 date that was originally targeted; the amended ordinance would authorize the new positions effective April 1. This delay reduces the funding needed for the positions. The second event was a subsequent budget action taken by the MERC Commission at its January 10, 1996 meeting, in which computer purchases were authorized. In order to make these purchases, an additional transfer from the PCPA contingency will be required. (This is the subject of another budget amendment which will come to Council in the near future.) In order to have enough funds available for the computer purchases, the contingency transfer originally requested in Ordinance 95-626 needs to be reduced.

The remainder of this staff report is unchanged from the original submission; please note, however, that the amended version would transfer only \$45,000 from contingency to personal services, not the \$90,000 originally requested.

Date: November 15, 1995

Presented by: Heather Teed

FACTUAL BACKGROUND AND ANALYSIS

On November 8, 1995, the Metropolitan Exposition-Recreation Commission passed Resolution No. 95-50, approving an amendment to the FY 1995-96 adopted budget for submittal to the Metro Council for consideration. The amendment authorizes the reclassification of two existing positions, the addition of four new full time positions beginning January 1, 1996, and the transfer of \$90,000 from the Spectator Facilities Fund Contingency to personal services in the Performing Arts Center. A copy of MERC Resolution 95-50 is attached.

The PCPA has been functioning with a "bare-bones" staff for a number of years. During this time, the number of events, as well as the sophistication of those events has grown requiring more management time in the halls as events are taking place as well as increased service to

the promoter. With the increase in the number of ticketed events, the PCPA has "out-grown" its current staffing service levels. In consideration of the unforeseen work load being experienced in FY 1995-96, and the projection for this work load to continue, MERC is requesting approval for early implementation of a staffing proposal included in the FY 1996-97 requested budget.

The staffing proposal includes the reclassification of two existing positions and the addition of four full time positions as follows:

- Reclassify the Technical Services Manager to Operations Manager
- Reclassify the Assistant Technical Services Manager to Assistant Operations Manager
- Add one full time Stage Manager
- Add one full time Operations System Assistant
- Add one full time Operations Engineer
- Add one full time Ticket Services Supervisor

All position requests are currently under review by the Personnel Division for appropriate classification title and level. Adjustments to the titles shown above may be made pending final Personnel recommendations. The Personnel Requests and justifications submitted with MERC Resolution 95-50 are attached.

The staffing reorganization is proposed to be implemented January 1, 1996. Although the four new positions are full time, they are shown as 0.50 FTE each to reflect the mid-year start date. The anticipated six month budget impact for the staffing proposal is estimated at \$90,000. This action requests the transfer of \$90,000 from the Spectator Facilities Fund Contingency to personal services in the Performing Arts Center to fund the proposal.

STAFF REPORT ADDENDUM

THE FOLLOWING DOCUMENTS ARE SUBMITTED AS ADDITIONAL INFORMATION IN SUPPORT OF THE REQUEST

Councilors, These documents are in support of Ordinance 95-626A (on the 1/22/96 R.F. agenda)

Linda

PCPA BUSINESS PLAN IMPLEMENTATION CHRONOLOGY

- December, 1993: Research and analysis for Business Plan concluded; recommendations formulated.
- January, 1994: Immediate reductions to preserve Reserve Fund Balance.
- * Phone room closed; 8 part-time personnel laid off.
 - * Early notice for termination of 4 full time positions: Marketing (2); Administration Support (1); Utility Lead (1). Lay-offs April 1994.
- January, 1994: "Miss Saigon" potential mega-hit explored.
- March, 1994: Approve 3 year contract Dan Bean Presents; Subscription series of 8 shows/week x 5 weeks/year to June 30, 1997. (Maximum potential 120,000 tickets per year).
- March, 1994: Business Plan formally adopted with implementation plan.
- March, 1994: Opera/Jujamcyn interest in contract for Musical Theatre Series. Begin negotiations.
- May, 1994: Multnomah County approves 3-year reallocation of \$600,000/year in Hotel/Motel tax from OCC to PCPA operating support.
- May, 1994: Portland Opera cancels February, 1995 opera, 4 performances; announces "Porgy & Bess" for July, 1995, 12 performances, maximum potential 36,000 tickets.
- June, 1994: Dan Bean Presents announces first subscription series; Dates: 10/94, 11/94, 2/95, 4/95, 8/95.
- June, 1994: Initiate research and community process to review rental rates and policies to increase earned income to meet Business Plan.
- July, 1994: Approve contract Opera/Jujamcyn for second subscription season; maximum 5 weeks in 95/96; maximum 4 weeks in 96/97.
- July, 1994: Opera/Jujamcyn announces first subscription series; Dates: 9/95, 10/95, 1/96 = 4 weeks, maximum potential 96,000 tickets per year.
- July, 1994: "Miss Saigon" announced; 40 performances/5 weeks, June/July 1995, maximum potential 120,000 tickets.
- August, 1994: Open catering experiment initiated; McCormick & Schmick given a 10 month extension.
- September, 1994: PCPA Budget Amendment to move \$110,000 Contingency funds to Capital Expenditure for restroom additions at Civic Auditorium.
- September, 1994: Annual Season of performances begins for Non-profit Resident Companies. Estimated 860 events increases through bookings to 960 total (+12%).
- October, 1994: First Broadway Series starts - 8,800 subscriptions; \$ 1,400,000 presales on tickets; Presenter's first year goal: 5,000 subscribers.

- October, 1994: Initiate planning for 1995/96 budget; identify potential shortfall, PCPA Advisory Committee recommends seeking support \$250,000 funding from each City of Portland and Metro to supplement recommended rent increases and policies.
- December, 1994: MERC accepts bids for restroom construction at Civic Auditorium.
- January, 1995: MERC approves Rental Rates and Rental policies for 3 years to be effective July 1, 1995; goal of \$100,000 increased rental income in FY 95/96; increases @ 4%/year 96/97, 97/98.
- January, 1995: Initiate Budget Amendment to FY 94/95 to recognize increase expenditures and earnings for "Miss Saigon" and some increases in commercial business; projected shortfall reduced approximately \$100,000.
- February, 1995: "Sound of Music" SOLD OUT for Dan Bean Presents.
- February, 1995: Announce "Angels in America" at Arlene Schnitzer Concert Hall July/August 1995; 2 weeks/16 performances; maximum potential of 44,400 tickets.
- April, 1995: "Fiddler on the Roof" 93% capacity for Dan Bean Presents.
- April, 1995: Select Fine Host as exclusive Concessionaire at PCPA for four years July 1, 1995 - June 30, 1999. Plan physical upgrades at PCPA facilities using \$350,000 from Fine Host.
- April, 1995: New restrooms open at Civic Auditorium.
- May, 1995: Presentation on PCPA to Consolidation Committee; Advisory Committee adopts "Stages of Funding Support." Potential use of funds identified by management.
- May, 1995: Beginning indication of operational stress at PCPA facilities. Difficulty in filling shifts for Admissions (part-time) staff for summer months of PCPA shows, baseball, and OCC events.
- June, 1995: Opera/Jujamcyn first Series 12,520 Subscribers, \$ 1,928,772 ticket presales.
- June, 1995: "Miss Saigon" move-in and opening. Presenter complaints about stagehand payroll accounting, cost documentation for weekly show settlements, notes inadequate computer linkage on site. Show Manager challenges interpretation of IATSE agreement and reimbursable charges; beginning of formal grievance. Presenter requests on site management representation from Operations and Ticket Services. Interim Payroll Assistant retained through temp. agency.
- June, 1995: Year End results: 550 ticketed events (+ 10%); gross ticket sales increase 38%. 960 events (+ 12%); financial improvement + \$400,000; attendance 1,013,000 (+ 3%); non-use days reduced 9%.
- July, 1995: "Miss Saigon" concludes 5 weeks; \$4.6 million gross ticket sales; 100,000 attendance; \$10.75 million economic impact.
- July, 1995: Initiate Commercial Series booking process for 1996-97 Season.

- July, 1995: Construction of concession improvements at Civic Auditorium (8 weeks); complete by opening of "Joseph", September 1.
- July, 1995: Heavy stress for Operations Department; working 12 hour days plus weekends. Backlog of paperwork attacked by 2 temporary employees. Begin examination of appropriate restructuring and resources.
- July, 1995: "Bonnie Raitt Concert" - 3 shows SOLD OUT; Concession sales increased.
- August, 1995: First ever simultaneous major shows: "Angels" at Arlene Schnitzer Concert Hall (69%) and "Hello Dolly" at Civic Auditorium (85%). Near break down of Operations and Ticket Services. Union hires 30+ new stagehands to handle double load-out Sunday, August 6. Accelerate purchase of radios for inter-building communications.
- August, 1995: Dan Bean Presents concludes first season; 101,000 attendance, 86%.
- August, 1995: Dan Bean expresses concern about ticket services for 2nd Broadway Series.
- September, 1995: Opera/Jujamcyn adds four shows "Joseph & the Amazing Technicolor Dream Coat" Labor Day weekend; overall for 12 performances, 92% capacity.
- September, 1995: Consultations with MERC management on stagehand supervision and payroll needs. Proposal for full time Payroll Assistant and Stage Manager. Refine position descriptions, salary ranges. Review classifications of Operation/Technical Services Manager, Assistant Manager.
- September, 1995: Notice for early deadline 96/97 Budget. Forecast Business: 992 Events (+11%); 700 tickets events (+14%) with two Broadway Series plus 6 week mega-hit, revenue increase \$1.1 million (+25%). This would be the highest volume year ever in PCPA facilities. Incorporate proposal for 3 positions in Operations, 1 position in Ticket Services, 2 reclassifications.
- October, 1995: MERC Management examines draft PCPA budget; supports proposals. Advisory Committee Budget group reviews concepts for 1996/97 Budget and staffing.
- October, 1995: Oregon Ballet adds 5th performance of "Swan Lake" to program (99% capacity).
- October, 1995: Advisory Committee and MERC Commission briefed on huge increases in results for First Quarter 1995/96: 88 more events (+10%); 129,000 more attendance (+189%). Review pressures on Operations and Ticket Services.
- October, 1995: Opera/Jujamcyn presents "Les Miserables" 14 performances, 94% capacity.
- October, 1995: PCPA Management proposal to MERC General Manager to amend 95/96 Budget for January implementation of staff additions and reclassification. Agreed and support for action at November MERC meeting.

REPORT FOR DECEMBER, 1995
PORTLAND CENTER FOR THE PERFORMING ARTS
Monthly Event and Attendance Summary

FY 94-95

Month	Civic		ASCH		Intermediate		Winningstad		Lobby		Totals	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	3	4,406	3	3,766	6	2,841	4	859	1	125	17	11,997
August	7	12,768	2	880	1	150	1	200	1	150	12	14,148
September	6	15,034	12	19,246	13	5,533	19	2,677	2	230	52	42,720
October	18	38,025	34	59,693	21	12,322	20	3,817	1	50	94	113,907
November	14	28,707	23	37,551	29	12,387	30	5,788	1	75	97	84,508
December	32	86,128	24	47,371	33	12,538	37	5,184	4	1,142	130	153,153
Year-to-date	80	185,068	98	168,507	103	45,771	111	18,525	10	1,772	402	420,433

FY 95-96

Month	Civic		ASCH		Intermediate		Winningstad		Lobby		Totals	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	24	55,935	14	21,208	15	7,923	5	368	1	26	59	85,460
August	8	19,731	11	16,838	7	2,407	2	265	5	1,150	33	40,391
September	18	39,641	19	24,026	5	3,042	20	2,848	15	2,521	77	72,078
October	24	62,319	32	63,356	14	7,739	20	2,888	1	400	91	136,702
November	16	39,212	25	41,892	29	14,448	32	4,057	1	140	103	99,749
December	33	79,105	20	30,470	31	15,535	40	5,673	1	90	125	130,783
Year-to-date	123	295,943	121	197,790	101	51,094	119	16,099	24	4,327	488	565,163
CHANGE												
EVENTS	+43	+110,875	+23	+29,283	-2	+4,423	+8	-2,418	+14	+3,155	+86	+144,730
PERCENT	+54%	+60%	+24%	+17%	-2%	+10%	+7%	-13%	+140%	+178%	+21%	+34%

**FINANCIAL IMPACT OF TOURING MUSICAL SHOWS
1994-95**

SHOW	ATTENDANCE	RENT	USER FEE	% RENT
DAN BEAN PRESENTS 94-95				
"CRAZY FOR YOU" (10/94)	19,222 (85%)	\$15,000	\$ 27,176	\$ 10,716
"WILL ROGERS FOLLIES" (11/94)	15,073 (67%)	\$15,000	\$ 19,275	\$ 9,511
"SOUND OF MUSIC" (2/95)	23,769 (99%)	\$15,000	\$ 34,291	\$ 18,289
"FIDDLER ON THE ROOF" (4/95)	22,626 (93%)	\$15,000	\$ 31,781	\$ 16,192
"HELLO DOLLY" (8/95)	20,415 (85%)	\$15,000	\$ 29,238	\$ 9,750
TOTAL SERIES (5 WEEKS)	101,105 (86%)	\$75,000	\$141,461	\$ 64,458

ALAN WASSER ASSOCIATES				
"MISS SAIGON" 1995				
WEEK #1 6/95	20,268 (90%)	\$ 30,000	\$ 28,834	\$ 8,500
WEEK #2 6/95	20,922 (90%)	\$ 30,000	\$ 31,060	\$ 9,059
WEEK #3 6/95	20,580 (90%)	\$ 30,000	\$ 30,399	\$ 8,900
WEEK #4 7/95	18,542 (82%)	\$ 30,000	\$ 27,481	\$ 8,343
WEEK #5 7/95	18,466 (81%)	\$ 30,000	\$ 25,737	\$ 7,633
TOTAL RUN	98,778 (85%)	\$150,000	\$143,511	\$42,435

8/7/95

FINANCIAL IMPACT OF TOURING SHOWS 1995-96

SHOW	ATTENDANCE	RENT	USER FEE	% RENT
OPERA/JUJAMCYN - PORTLAND'S BROADWAY THEATRE				
Joseph #1	5,573 (47%)	\$ 8,625	\$ 6,426	\$ 8,783 For both weeks \$ 28,500 est. TBD*
Joseph #2	21,754 (92%)	20,625	31,385.	
Les Miserables #1	21,918 (91%)	19,167	32,498	
Les Miserables #2	23,167 (97%)	19,167	34,383	
Grease	1/17 - 1/21/96	19,166	TBD*	
TOTAL SERIES TO-DATE	72,412	\$ 86,750	\$ 104,692	\$ 37,283
ADD-ON PERFORMANCES				
Angels in America #1	13,194 (60%)	\$ 17,250	\$ 16,460	\$ 6,500 (15%) For both weeks
Angels in America #2	14,978 (69%)	17,250	19,657	
TOTAL ADD-ON	28,172	34,500	36,117	\$ 6,500
DAN BEAN PRESENTS - WEST ONE BANK BROADWAY SERIES				
West Side Story	22,423 (95%)	\$ 15,000.00	\$ 32,488	\$ 12,500
Kiss of the Spider Woman	1/29 - 2/4/96	15,000.00	TBD*	TBD*
She Loves Me	2/26 - 3/3/96	15,000.00	TBD*	TBD*
Ain't Misbehavin	4/8 - 4/14/96	15,000.00	TBD*	TBD*
Damn Yankees	7/29 - 8/4/96	15,000.00	TBD*	TBD*
TOTAL SERIES TO-DATE	22,423	\$ 75,000.00	\$ 32,488	\$ 12,500

* TBD = To be determined when event is completed

1/17/96

December 1, 1995

Mike Burton
Executive Officer
METRO
600 NE Grand Ave
Portland, Oregon 97232-1700

Dear Mr. Burton:

At its regular meeting on November 29, the PCPA Advisory Committee discussed the PCPA Budget. We learned of your decision to delay action for the addition of staff to assist with the current crush of new business. The purpose of this letter is to convey our strong concern. Moreover, we wish to convey information you may not have had at the time of your decision.

The PCPA Advisory Committee, which was created by the Metro/City Consolidation Agreement, is responsible for providing review and comment on all actions affecting PCPA particularly budget and financial matters. In exercising that responsibility, we conduct a detailed review of the annual PCPA budget, regularly monitor finances and were heavily involved in developing the PCPA Business Plan. Therefore, we are intimately familiar with the business at PCPA.

It is our belief that this request for additional staff results from the enormous success of the Business Plan strategies. Those strategies involved reducing marketing and phone room staff, tightening management, fine-tuning rental rates and attracting additional commercial business. All of these strategies have been fulfilled. In fact, they have been so successful as to overwhelm our current system.

This is a result we simply did not foresee. During the year of Business Plan development, commercial bookings were quite low. They have since sky-rocketed. The enclosed chart of monthly events and attendance illustrates the large increase in business PCPA has recently experienced.

We believe the request for additional staff is justified for the following reasons:

- Staff are stretched to the maximum. Many are working 12 hour days and have not had the opportunity to take vacations. Normally vacations are taken in the summer when the halls are typically dark. Because of our strategy to eliminate as many dark days as possible, the halls experienced a great deal of business this summer. As a result, staff could not take earned breaks, catch up on other work, nor adequately prepare for the fall season. For example, in July-August 1994 there were 29 total events; in 1995 for that same period there were 92 total events. That's over a 200% increase.
- The additional business is primarily in the Arlene Schnitzer Concert Hall and Civic Auditorium (2776-3000 seats) meaning large ticket sales and large crowds to manage. For example, the events in July-August 1994 in the large halls were a total of 15 and rose to a total of 57 in 1995. For that same period, attendance was 21,820 in 1994 and 113,257 in 1995. That equates to over a 400% increase.

- Because much of the new business is commercial, the impact on staff is greater. The non-profit customers (Opera, Symphony, Ballet) sell most of their own tickets, perform other production management tasks themselves, and are familiar with PCPA operation. The new commercial customers sell tickets through our ticket services system and rely heavily on staff of the facility for all aspects of their event.
- The increase in events and attendance has continued into the fall and is expected to grow based on contracted business. For September, 1995 the total attendance was almost double the attendance of September, 1994. October is normally a heavy month, yet attendance is significantly greater in 1995 than last year.

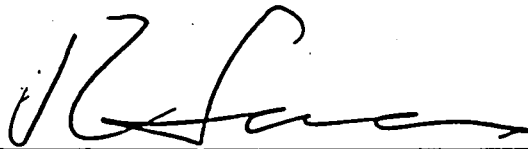
The Advisory Committee discussed this situation at its recent meeting and reached the conclusion that if staff cannot be added, the facilities must turn away business. To do otherwise would simply be irresponsible management. Knowing that we do not have the staff to support any more business just puts the facility, the public and our customers at risk of major system failure. We are hopeful that it will not come to that, as the commercial business makes a major difference to the bottom line at PCPA.

We are most eager to talk with you at greater length on this subject and to provide additional information you may need.

On behalf of the PCPA Advisory Committee,



Nancy Fischer



Richard Toscan
Dean, School of Fine & Performing Arts, PSU

George Bell, Chair
Michael Davidson
Jose Eduardo Gonzales
JoAnn Robinson Hill
Martha Richards

Pam Baker
Serge D'Rovencourt
Kathleen Johnson-Kuhn
Jeff Miller

Enclosure

cc: Councilor Ruth McFarland, Presiding Officer
Councilor Patricia McCraig
Jennifer Sims, Chief Financial Officer
MERC Commissioners
Pat LaCrosse, MERC General Manager ✓
Heather Teed, MERC Director of Fiscal Operations

Facsimile Memorandum

Date December 6, 1995

To Harriet Sherburne
Office Portland Center for the Performing Arts

From Jim Sheeley
Office Jujamcyn Productions

cc V. Ramirez

Subject PCPA Staffing

In response to your inquiry, the proposed personnel changes for PCPA's FY 1996-97 are similar to changes we made at the Ordway Music Theatre in St. Paul, while I was General Manager in the early 1990's, as the Ordway made a transition from primarily resident company performances in a multi-purpose facility, to a schedule heavily-laden with Broadway and other commercial performances in three 2000-plus seat venues and one 300-seater. By increasing the efficiency of the operation, we were able to develop more suitable scheduling policies and expand to over 40 weeks of Broadway per year. Attendance rose to 500,000 annually with gross revenues of \$36 million.

You and I have discussed our need for better planning and on-site management of crews and staff during the runs of Broadway productions. I've received many comments from Broadway company managers about errors on time sheets, lack of proper back-up to show accounting and the need for a more timely delivery of labor bills for review. Broadway shows require an on-site manager with decision-making authority. While both the Portland Opera and Jujamcyn have added staff positions to provide an interface with the company in order to plan for smooth operations, planning for decisions on facility-related issues has been slow in coming, especially in the areas of stage crew management and accounting for the weekly settlement. In my opinion, much of this can be improved by the addition of a stage manager and an operations assistant as you are proposing.

I think you will also find that increased efficiency at the operations level will provide PCPA with a means to develop more revenue days in the facilities which has already begun under your leadership. This is of great benefit to Portland's Broadway Theatre Season, because we feel that increased commercial use will help control the cost of an already expensive facility. It will also encourage us to look for more shows to add to our season of presentations. As you are well aware, we feel that we can develop the Portland market into one which supports eight to ten two-week productions and a mega-hit annually.

Broadway audiences are becoming more sophisticated and demanding about the quality of the productions. Producers are responding by creating road-tours which are identical to the productions on Broadway. Presenters and facilities have to be willing to work hard to attract and support the scale and complexity of productions which our audiences are demanding. Your proposals for changes in staffing are timely and necessary. We are looking forward to working with you and your staff for many upcoming seasons in Portland.

PORTLAND CENTER FOR THE PERFORMING ARTS MEMORANDUM

TO: Mike Burton, Metro, Executive Officer
FROM: Harriet Sherburne, Director
DATE: December 11, 1995
SUBJECT: MERC RESOLUTION NUMBER 95-50, PCPA BUDGET AMENDMENT

At the suggestion of Tim Rafael, this communication summarizes major points of the discussion with Metro staff on December 8.

1. The unexpected workload became apparent in June-July, 1995 with the run of "Miss Saigon", when the show and presenter both required significantly more payroll and accounting detail for daily and weekly settlement of accounts than had ever before been experienced. This demand continued with other shows with gross sales of \$850,000 to \$1,000,000 per week. Portland has moved into the national market for touring shows, resulting in more concurrent events at Civic Auditorium and Arlene Schnitzer Concert Hall. It is no longer feasible to spread supervisory staff over the three buildings; the requested four positions address this need in the current year and for the near term.

2. Management acted immediately to examine appropriate short and long term solutions to the problems. The addition of three full-time staff positions in the Operations Department, and one full time staff position in Ticket Services would address the problems and is consistent with the Second Stage Funding Support for PCPA at \$1.5 million. In May, 1995, when the PCPA Advisory Committee formulated its recommendation on appropriate funding support, Management developed a list of high priority needs for use of added resources. The additional positions are consistent with the attached summary for Second Stage "service restoration and enhancement".

3. The expenditure of budgeted contingency funds for the added positions and reclassification is not expected to increase the financial shortfall in the current fiscal year, and are included in the proposal for FY 96-97 which budgets a shortfall of \$1.1 million. The financial results for the current year are expected to improve in relation to new commercial shows comparable to last year, as follows:

	<u>FY 94-95</u>	<u>FY 95-96</u>
Approved Budget Shortfall	(\$1,006,772)	(\$1,157,724)
Budget Amendment	(\$ 913,372)	-----
Actual Year End	(\$ 507,513)	(\$ 808,000) est.
Financial Improvement	\$ 405,859	\$ 350,000 est.

This is a reasonable forecast in consideration of actual results in first quarter FY 94-95, with earned income \$336,600 above the comparable period in the previous year; improvement at year end should be even greater.

**Summary of PCPA Activity at
Different Levels of Funding Support***

First Stage Funding Support	\$1.0 million/year
------------------------------------	---------------------------

Reduced staffing for operations; minimal renewal and replacement of building finishes, equipment, and fixtures. Basic level of operations in FY 93-94 and 94-95.

Second Stage Funding Support	\$1.5 million/year
-------------------------------------	---------------------------

In addition to that provided in the stage above:

1. Building operation and maintenance: increased renewal, replacement, and enhancement. +\$250,000/year
2. Service restoration and enhancement: Operations and Stage Services (60%); Admissions/Event Services and Ticket Services (15%); and Booking and Marketing (25%). +\$250,000/year

Third Stage Funding Support	\$2.0 million/year
------------------------------------	---------------------------

In addition to that provided in both stages above, the following enhancements have been derived from the Regional Funding Task Force Report - March, 1994:

- | | |
|---|-----------------|
| 1. Reduced user fee for principal tenants | \$225,000 |
| 2. PCPA marketing of scheduled events | 75,000 |
| 3. Support of youth programs by tenants | 25,000 |
| 4. PCPA staff and support for major construction/
enhancements; outreach to regional audience;
marketing activity | 100,000 |
| 5. PCPA Ticket Services | 25,000 |
| 6. Expansion of services included in rental | 50,000 |
| | <u>50,000</u> |
| | +\$500,000/year |

*Support detail in handout 5/30/95

FIRST QUARTER COMPARISON
(July-August-September)

	<u>94-95</u> <u>ACTUAL</u>	<u>95-96</u> <u>ACTUAL</u>	<u>95-96</u> <u>25 % BUDGET</u>
Number of Events	81	169	224
Gross Rental	\$ 79,832	\$ 230,021	\$ 190,000
Office Rental	\$ 7,650	\$ 7,900	\$ 7,900
Event Rent (net)	\$ 72,182	\$ 222,112	\$ 182,100
Rent per Event	\$ 891	\$ 1,314	\$ 813
Attendance	68,865	197,927	250,000
User Fee	\$ 59,123	\$ 246,594	\$ 237,500
User Fee/Event	\$ 730	\$ 1,459	\$ 1,060
User Fee/Attendee	\$.86	\$ 1.25	\$.95
Attendance per Event	850	1,171	1,100

12/7/95

Metro
**Regional Environmental
Management**
*Review of Metro's
Solid Waste Enforcement Unit*

February 1996

A Report by the Office of the Auditor



METRO

Alexis Dow, CPA
Metro Auditor



METRO
OFFICE OF THE AUDITOR

February 7, 1996

Mike Burton, Executive Officer
Councilor Jon Kvistad, Presiding Officer
Councilor Patricia McCaig
Councilor Ruth McFarland
Councilor Susan McLain
Councilor Rod Monroe
Councilor Don Morissette
Councilor Ed Washington

Re: Regional Environmental Management: Review of Metro's Solid Waste
Enforcement Unit

Dear Mr. Burton and Councilors:

The accompanying report covers our review of Metro's Solid Waste Enforcement Unit. We undertook this study as part of our annual audit plan.

We reviewed a draft of the report with the Executive Officer and the director of the Regional Environmental Management Department. The last section of this report presents the written response of Executive Officer Burton.

We would appreciate receiving a written status report from the Executive Officer, or a designee, in six months indicating what further progress has been made to address the report's recommendations.

We appreciate the cooperation and assistance provided by staff from the Regional Environmental Management Department.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alexis Dow'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alexis Dow, CPA

Auditors: Leo Kenyon
Lamar White

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Executive Summary

Metro set up an enforcement unit in 1993 to stanch the suspected leakage of up to \$2 million a year from its solid waste revenue stream, and to clean up illegal dump sites. At the end of two years of operation, the Solid Waste Enforcement Unit's (the Unit) actions have resulted in approximately \$145,000 in retroactive user fees and fines, plus some revenue capture. The Unit has cost Metro over \$830,000 in two years. Other measures of its enforcement effectiveness, such as reduced risk to revenues, have not been attempted. Over 1200 illegal dump sites have been cleaned up as well, but little is known about whether this is an effective program.

We believe that Metro must have better measures of the Unit's effectiveness. Improvements in measuring the Unit's activities need to begin with clearer statements of its objectives. A necessary part of this action is a clear, measurable tie-in to the overall solid waste management activities of Metro.

Flow control enforcement efforts are legitimate actions by Metro as a governmental unit that has fees and charges on Metro area solid waste. Without some compliance actions, a large part of Metro's solid waste revenue could be at risk. We believe that Metro should set objectives for flow control enforcement that directly address the risk of revenue loss, that will enable both the Unit's managers and the Council to evaluate progress toward its objectives, and that will incorporate the Unit's activities into Metro's solid waste mission.

Regarding illegal dump cleanups, Metro has a less clear mandate and is in effect offering a service to its citizens. As other governments within the Metro area also enforce their own illegal dumping rules, cooperation and integration are very important. We believe if Metro sets out clear goals for this effort, and establishes how Metro's role fits into the overall solid waste management effort, then cooperation and

coordination with the other governments can proceed on firm footing.

Beyond the general need to integrate the Unit's activities into the hierarchy of Metro's solid waste goals, we also identified two specific problems that require attention. These are the definition of "beneficial material" regarding its exclusion from Metro fees, and the continued misidentification of Metro area solid waste at several landfills. We learned that both of these issues are already receiving attention by the Unit, but believe that they may need Metro council and executive officer attention for more complete resolution.

Introduction and Background

Metro is responsible for planning solid waste management within the urban areas of Multnomah, Clackamas, and Washington counties. One of its related regulatory tasks is commonly known as flow control. To this end, Metro owns two solid waste transfer stations; contracts for related activities, such as hauling waste to a regional landfill; and collects fees for the disposal of solid waste generated within the Metro region. To better ensure compliance with its flow control ordinances and fee schedules, and to address illegal dumping, Metro created the Solid Waste Enforcement Unit in 1993.

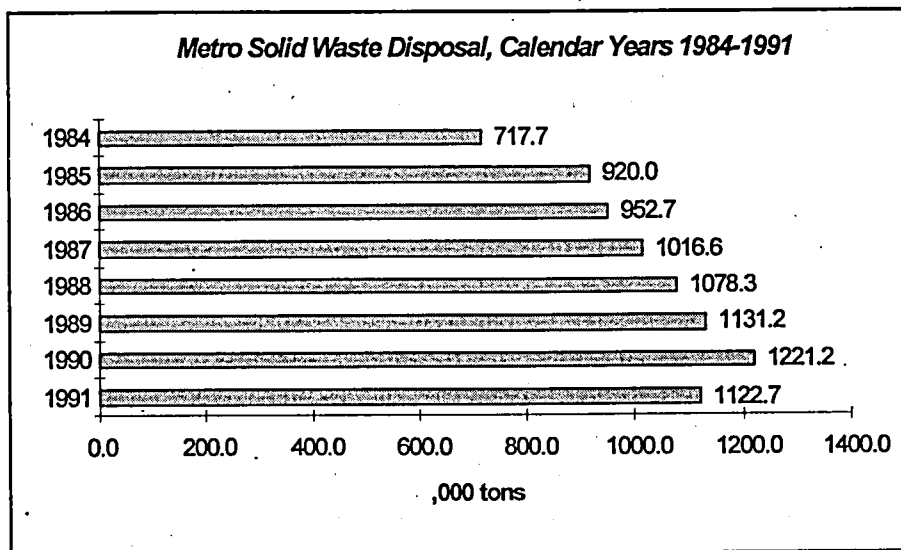
Revenue from solid waste disposal fees and charges an important part of Metro's operations

Metro's solid waste operations are paid for by the revenues related to solid waste disposal. In fiscal year 1995-1996, the solid waste revenue fund is budgeted to receive \$59 million from disposal activities. In addition to financing the actual solid waste disposal function—primarily operating transfer stations and transporting solid waste to regional landfills—this fund pays for other functions of the Regional Environmental Management Department, including promoting regional waste reduction, recycling, and reuse. In addition, an excise tax of 7.5% on disposal fees and charges goes into Metro's general fund, where it supports the Council and the Executive Officer, their related support services, and various Metro activities, chiefly the planning department. Metro-wide excise taxes are estimated at \$6.4 million in fiscal year 1995-1996, with solid waste taxes contributing about 80% of the total collected.

Solid waste volume dropped unexpectedly in 1991

Metro expected the volume of solid waste disposal to rise in 1991, as it had for several previous years. However, during 1991 it learned that year's tonnage would probably drop by 75,000 tons, or roughly 7%. This decline alarmed Metro because of the important role of solid waste revenues in financing its operations, as noted above. The chart below shows actual volumes of solid waste disposal from 1984 to 1991, with the actual decrease in 1991 of 98,500 tons somewhat greater than expected. The growth through 1990 came about because of robust economic recovery in the Metro

area, strong population growth, and a concomitant construction boom.



Source: *Solid Waste Information System Report, Direct Haul Tonnage Diagrams*, Metro, August 1995

Evaluation of reasons for decrease found a large portion unexplained

Metro contracted with the Center for Urban Studies at Portland State University to analyze the decrease in 1991 solid waste disposal levels.¹ Using a time series statistical analysis, the Center identified population change, construction activity, and tipping fees as the probable reasons for year-to-year changes. The Center found that a large portion of the change in 1991 could not be explained by these three factors, and lumped this amount under a category called "other causes."

The following table displays the decline from 1991 to 1992 and the amounts attributable to the three anticipated changes and to the "other causes."

¹*Analysis of Portland Metropolitan Solid Waste Trends, Final Report*, Center for Urban Studies, School of Urban and Public Affairs, Portland State University, February 1992.

<i>Reasons for Decrease in 1991</i>	
Solid Waste Disposal 1990:	1221.2 thousand tons
Changes due to:	
Population growth	+ 35.5 thousand tons
Solid waste fee increase	- 42.1 thousand tons
Construction slowdown	- 18.3 thousand tons
“Other causes”:	- 50.6 thousand tons
Solid Waste Disposal 1991 (estimated)	1145.7 thousand tons
(Note: Actual 1991 tonnage is lower by 23, 000 tons than estimated at the time of the report)	

Source: 1990 tonnage, *Solid Waste Information System Report*, op cit.; 1991 tonnage calculated by Office of the Auditor; other data from Center Report, op cit.

As shown in the table above, the Center's probable reasons had their expected effect. Population growth should increase solid waste generation if per capita rates don't change. Construction slowdowns should lower waste generation from construction and demolition businesses, a major source of solid waste. Solid waste fee increases can also decrease solid waste disposal because it changes the economics of alternatives to disposal. Recycling can become cost effective and processes can be designed that use less material. The Metro tipping fee had risen from \$19.70 a ton in 1988 to \$44.75 in 1989 to \$55.50 in 1991.

The large “other causes” category in the Center's analysis indicated, however, that something else was causing changes in solid waste disposal in the Metro area. In the Center's discussion of possible components of the “other causes,” they noted that tipping fee increases can also have undesirable effects. One of these is illegal disposal and avoidance of Metro tipping fees. The Center was unable to separate illegal disposal and avoidance of fees from other “other causes,” so they made no estimate of the tonnage thus diverted from Metro's revenue stream. In its recommendations the Center noted that Metro should sponsor an inter-agency task force to monitor such diversions. As a monopoly supplier of disposal

services, they stated that Metro must safeguard its revenue base against illegal competitors.

Other events indicated Metro had problems with diversions from its solid waste revenue base

At around the same time as the Center study previously noted, Metro also learned of actual diversions from its solid waste revenue base. Metro used a private investigator to identify the amount of solid waste that a garbage company was trucking to a Washington landfill without paying Metro fees. In this case, Metro collected almost \$75,600 in user fees, interest and fines covering a two-year period. In another case that pointed up the need for investigatory capability, Metro brought in the Multnomah County Sheriff's Office to investigate certain activities at the St. John's landfill, a Metro facility that is now closed. This case resulted in criminal convictions for theft of Metro property and recovery of \$1.5 million from the operating contractor. These events combined to alert the Council both to the seriousness of the diversion of solid waste from the revenue base, and the need for investigative and enforcement capability at Metro.

In 1991, Metro adopted a policy to reduce illegal disposal. The Council was receiving citizen complaints about the increase in illegal dumping with its attendant unsightliness and unsanitary conditions. Because the rising tipping fees could be one reason that people were dumping trash and debris improperly, and because illegal dumping also diverted solid waste from the revenue stream, the Council was interested in addressing the problem from a regional perspective.

Metro establishes a solid waste enforcement unit

The Council adopted a resolution on August 12, 1993, that provided for "...solid waste flow control enforcement and illegal dump site cleanup."² The enforcement unit is staffed through an Intergovernmental Agreement with the Multnomah County Sheriff's Office. The original agreement was signed in October 1993 and has been extended each year, with the current agreement valid through June 30, 1996. The current agreement calls for three officers assigned to enforcement and two corrections officers assigned to cleanup, an increase

²Resolution 93-1792A

of one officer from the original number. Metro pays all Sheriff's Office costs related to this activity.

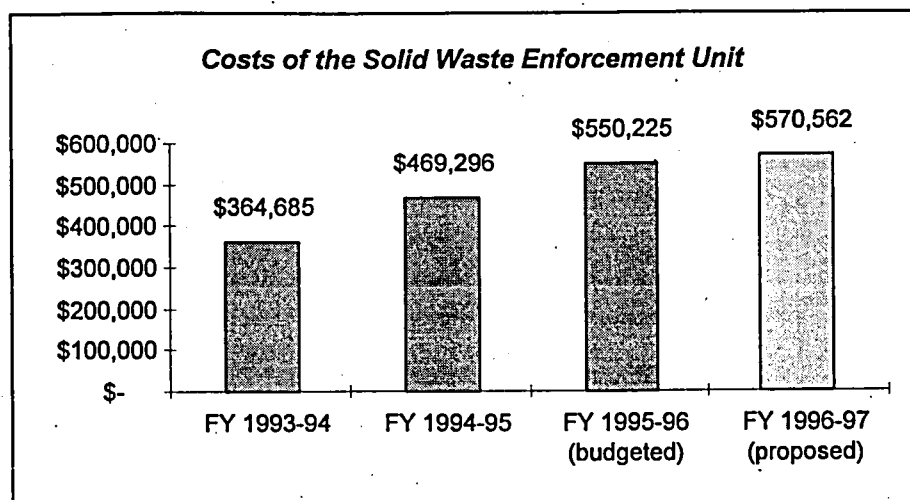
A Metro employee, the solid waste enforcement officer, heads the Solid Waste Enforcement Unit (the Unit) and provides direction regarding the type, scope, and nature of the investigations. The specific services contracted from the Sheriff's Office are:

- Enforcement of all Metro ordinances related to flow control investigation and waste management,
- Compliance-related surveillance of persons involved in solid waste collection, treatment, and disposal,

Investigations of vendors and contractors, general investigations as requested, and criminal intelligence briefings are also included in the agreement. We did not include the Unit's activities in these areas in this audit.

A second element of the agreement is the cleanup of illegal dump sites within Metro boundaries. Multnomah County supervisory corrections officers and inmate work crews clean up selected illegal dump sites. The corrections officers are to identify and retain any evidence that could aid enforcement officers in prosecuting people for illegal dumping.

Cost of the Unit According to departmental information, the Unit has cost about \$834,000 in its first two years of operation, and is expected to cost \$550,000 in fiscal year 1995-1996. The following schedule shows actual expenditures for the first two years, budgeted amounts for this year, and next year's proposed budget.



Source: Regional Environmental Management Department budget staff.

The Unit consists of two Metro employees, the solid waste enforcement officer and a clerk, and five Multnomah County Sheriff's Office employees detailed to the Unit under the Intergovernmental Agreement noted above. The Unit has purchased five vehicles for its work (one new and four used), including a van and trailer for illegal dump site cleanup. Two of the County Sheriff-supplied staff are each in charge of a volunteer inmate cleanup crew. The second staff and crew were added in 1994 because of the backlog of illegal dump sites.

The Metro solid waste disposal system

Metro is one cog in a multi-layered system that has arisen to address solid waste and related environmental issues. State ordinance gives local governments primary responsibility for solid waste management. Metro has been designated the local government to plan for solid waste disposal management, and cities and counties within the tri-county Metro region have been designated the local governments for solid waste collection and recycling programs.³

Over 100 private haulers provide residential and commercial collection and recycling services in all Metro area jurisdictions, and except for the City of Portland's commercial collection, these routes are generally franchised. Some businesses, especially in the construction industry, haul their

³Metro's authority and responsibilities are contained in Section 5.05 of the Metro Code

own waste and debris. Recycling is done primarily through weekly curbside collection. Yard debris is also collected, with less regular schedules and more variety in approaches.

Most solid waste from the Metro area is taken to one of three transfer stations within Metro boundaries. These facilities receive, process, and temporarily store solid waste prior to transportation to a final disposal site. Two stations are owned by Metro—Metro Central and Metro South—and their solid waste is taken to the Columbia Ridge Landfill in Arlington, Oregon, 130 miles east of Portland. The third transfer station is Forest Grove, which is privately owned and is franchised by Metro. Its solid waste is taken to nearby privately-owned Riverbend landfill in McMinnville, which is outside the Metro boundary.

Metro area generated waste is subject to flow control regulations and fee schedules. Within the Metro area, each facility is either owned or franchised by Metro. These facilities are required by Metro to collect a regional user fee, and at Metro-owned facilities a Metro user fee is also charged. Outside of the Metro area, a facility must be designated by Metro as eligible to regularly receive Metro area waste, and the regional user fee must be collected. If a facility is not designated, the waste generator who wishes to use that facility must purchase a non-system license and also pay the regional user fee.

Total charges on Metro area waste are \$75 a ton if a Metro-owned facility is used. If Metro area waste is taken to a franchised facility, or a designated facility is used, a regional user fee of \$17.50 must be paid in addition to the facility's own tipping fee. Regarding nondesignated facilities, the nonsystem license required of a waste generator to haul to a nondesignated facility costs \$1,000, and the \$17.50 regional user fee must be paid on each ton.

Objectives, scope, and methodology This review is included in the Office of the Auditor's annual audit schedule. Our objective was to assess the effectiveness of the solid waste enforcement program within the Regional

Environmental Management Department. Specific areas of interest included:

- The amount of revenue Metro was losing prior to establishment of its Solid Waste Enforcement Unit, and the resulting direct and indirect effect of the Unit on this revenue loss.
- The effectiveness of the Unit's actions on the rate of compliance with Metro's flow control ordinances and on the problem of illegal dumping.
- The need for additional enforcement measures.

To address these audit objectives, we reviewed documents related to the Council's enactment of the ordinance establishing the Unit, the accomplishments of the Unit to date, and Metro's solid waste planning and operations. We also examined Metro's financial and budget analyses related to the revenues and costs of the program. Our discussions within Metro were with the Unit's enforcement officer, Regional Environmental Management Department managers, the General Counsel's office, and the Council's senior analyst. Outside of Metro, we held discussions with code enforcement officials in Clackamas, Multnomah, and Washington counties, as well as with similar officials in several Metro area cities.

To obtain our background information, we reviewed several Metro documents and reports relating to solid waste systems, we reviewed other audit reports, we researched general references for information about flow control enforcement, and we analyzed a 1992 report done for Metro on causes of an unexpected decrease in solid waste from 1990 to 1991.

This audit was made in accordance with generally accepted government auditing standards. Field work took place between August 1995 and January 1996.

Enforcement of Flow Control and Waste Management Ordinances

The Solid Waste Enforcement Unit was established in September 1993 primarily to recover the Metro fees and charges on solid waste that were believed to be escaping the system. At that time, estimates of lost revenue ranged from \$360,000 to \$2 million a year. No attempts have been made since then, however, to attribute any changes in Metro's revenue to the Unit's activities. The Unit has been active during its first two years of enforcement, and can claim \$145,000 in retroactive fees and fines assessed, as well as several specific cases of improved reporting by haulers.

Evaluating the effectiveness of the Unit's discrete activities is difficult because they have not been related to Metro's solid waste management goals. We believe that the Unit's activities must be integrated into Metro's mission and objectives in a direct fashion to better focus its efforts and to allow measurement of its value to the organization.

Metro's solid waste system requires proper control of solid waste flow Metro has been charged with managing the flow of solid waste in the region. As a part of this responsibility, Metro has chosen to finance solid waste operations and waste reduction programs by levying charges on solid waste generated within the Metro area. A flow control ordinance was adopted in 1989, partly to satisfy bondholders about Metro's ability to maintain sufficient revenue to repay bonds. The ordinance also set out Metro's legitimate actions regarding flow control. With so much of the financing of the solid waste system depending on solid waste fees and charges, prudent managers need to assure themselves that flow control fee schedules are followed. Compliance and enforcement actions will not only reduce the risk that some revenues may go uncollected, they will also help insure that waste generators and haulers are treated equally under the rules.

Initial estimates of risk During the consideration in 1993 of forming a Metro solid waste enforcement activity, a claim was put forward that

ongoing costs of the Unit, estimated at \$320,000 a year, would be covered by the anticipated increase in revenue from the Unit's efforts. A Metro staff study done for the deliberations estimated that 3% of total waste, or 30,000 tons, was being diverted from the revenue stream. The study estimated \$360,000 in lost revenue might be recovered by an enforcement unit if its efforts could cut the risk in half. A number more commonly associated with the revenue at risk, however, is \$2 million. This estimate was used by the then director of the Solid Waste Division (now Regional Environmental Management Department) in support of the need for a solid waste investigative and enforcement unit⁴.

No ongoing estimates of current risk attempted

In the two years since the Unit was formed, Metro has not attempted to estimate whether organized enforcement has decreased the risk to its solid waste revenues. We were told that officials within the Regional Environmental Management Department believe the Unit pays for itself but they also stated that this belief could not be supported with hard figures. In simplest terms, Metro and the Unit might point to increasing solid waste tonnage since 1993 as proof that enforcement is reducing the risk and bringing in more revenue.⁵ However, we believe that neither rising revenues nor management belief are sufficient to support a conclusion that enforcement has had an overall effect on lowering the risk to Metro's solid waste revenues.

We do not know whether an accurate estimate of a decrease in risk attributable to the Unit could be made, but we believe that it would be useful to try. If an estimate could be generated, Metro management and the Council would have a direct measure of the Unit's success in meeting the original need for organized enforcement. As a start, the existing solid waste information forecasting model operated within the

⁴One way to arrive at \$ 2 million is to use the 30,000 ton estimate of diverted solid waste and multiply it by \$68 a ton, the tipping fee in 1992.
 $\$68 \times 30,000 = \$2,040,000$

⁵ 1993 1142.8 thousand tons
1994 1184.9 thousand tons
1995 1208.1 thousand tons (estimated)

Regional Environmental Department could be examined to see if the effects of enforcement could be detected. Another possibility is to rerun the model used by the Center for Urban Studies in their 1992 study of the reasons for a fall in solid waste tonnage.

Assessment of retroactive fees and fines

Another way to look at the Unit's effect on reducing risk to revenues is to look at direct enforcement actions. The Solid Waste Enforcement Unit has taken several enforcement actions that have led to retroactive fee assessments and has fined a number of haulers for noncompliance with Metro flow control ordinances. For example, unreported tonnage at three area landfills was discovered by the Unit in 1994 and resulted in about \$60,000 in retroactive fee assessment and \$1,000 in fines. Additionally, five construction cleanup haulers were caught during 1994 reporting Metro area trash as being from outside the area, thereby sidestepping Metro user fees. Charged with theft by deception, they all paid retroactive user fees based on the amount of misreported solid waste and two haulers were fined.

In 1995 there have been relatively few monetary assessments due to flow control enforcement by the Unit. We were told this is primarily due to greater concentration on illegal dumping. In addition, the Unit's enforcement actions may have made misreporting less attractive. The table below shows retroactive revenue and fines assessed based on the Unit's actions.

	<u>Retroactive User Fees</u>	<u>Fines</u>	<u>Total</u>
1993 (3 months)	\$ 0	\$ 26,419	\$ 26,419
1994	107,831	1,905	109,736
1995 (9 months)	<u>9,387</u>	<u>0</u>	<u>9,387</u>
Total	\$ <u>117,218</u>	\$ <u>28,324</u>	\$ <u>145,542</u>

Source: *Program Overview and Statistics*, Metro Solid Waste Enforcement Unit, various editions.

Increase in reporting solid waste correctly as to source

Metro has accomplished another revenue increase by obtaining better reporting of Metro area solid waste volume by some specific haulers. For example, between January and May of 1994, five construction/demolition haulers, as noted above, were caught incorrectly reporting Metro area solid waste as being from outside the Metro area. In addition to the retroactive user fees and fines assessed by the Unit, those still in business are now reporting much higher tonnage from inside Metro. For example, one company went from reporting 100% of its solid waste as originating outside the Metro area to over 90% originating inside after enforcement action by the Unit. This company's volume is about 14 tons a month and the increase in Metro revenue is a direct result of the Unit's action.⁶

In 1995, another hauler increased its reporting of Metro area solid waste by about 140 tons a month after being presented with evidence of misreporting. No fines or retroactive fees were assessed, but the resulting increase in Metro revenue should continue. The Unit's coordinator said that they were being less confrontational during the first nine months of 1995. He noted that the new director of the Regional Environmental Management Department is interested in returning to more vigorous enforcement of flow control ordinances.

Information given to generators and haulers

Beyond specific direct and indirect monetary achievements, the Unit has also taken actions that may have improved the solid waste community's compliance with flow control regulations. For example, in November 1994 they notified 13,467 construction-related businesses that generate or haul solid waste about flow control requirements and the boundaries of Metro. Another effort at that time was an advertisement in several major newspapers with a brief synopsis of the responsibilities of solid waste generators and haulers. Further, the Unit has received positive publicity from several local media outlets regarding its work. However, the Unit did no follow-up with haulers or waste generators regarding the effect of the mailings and advertisements. We

⁶ The minimum increase is \$17.50 a ton. If it is hauled to a Metro-owned facility, the increase would be \$27.00 a ton.

believe that sampling of haulers/ generators regarding their knowledge of flow control regulations would be a useful tool in designing enforcement work plans.

Information needed about size of enforcement problem As much as statistics about retroactive fees, specific increases in revenue tonnage, and information mailings make enforcement actions and results concrete, they only tell half the story. The other half is to tell where these actions have taken Metro and the Unit in their attempts to reduce the risk to Metro's solid waste revenues. Existing accomplishments can become more useful to Metro leaders if they are given context. For example, the statistics about incorrect reporting of solid waste origin would take on much more meaning if there were some attempt to estimate how many haulers/generators are likely to incorrectly report. We realize that precise information of this nature is difficult to produce. We believe, however, that without an attempt, statistics will pile up to no avail.

Enforcement actions to reduce illegal dumping The Unit targets construction/demolition businesses and small scale haulers in its enforcement actions against illegal dumping. The Unit's efforts are based primarily on evidence found during cleanup of illegal sites. Evidence has been found in about one-third of the sites cleaned up by Metro. Dumping solid waste outside landfills or transfer stations is banned under Oregon law and under many county and city ordinances. However, illegal dumping within Metro boundaries was difficult to prosecute when the Unit was formed. Each of the counties' sheriff's departments could enforce the Oregon State Ordinance against offensive littering, which is a criminal statute with its attendant strict burden of proof. It was little used. During the first year, the Unit used a combination of requests for a violator to clean up the illegal dump and of billings to the dumpers for cleanup costs during the first year.

The Metro Council passed an ordinance in 1994 to allow the Unit's officers to issue civil citations for illegal dumping anywhere within Metro boundaries. The Unit has stated that this change has made their prosecution of illegal dumpers much easier. This anti-dumping ordinance was adapted from a model illegal dumping ordinance that Metro put together in 1991. Local jurisdictions within the Metro area are now being

encouraged to seek delegation of enforcement under Metro's ordinance as a way to bring about consistency between various jurisdictions regarding prosecution of illegal dumpers. We believe that Metro should increase its efforts in this regard.

Effectiveness of flow control enforcement Overall, we can not say how effective the Unit has been in this area. While the flow control enforcement efforts have borne some fruit, adding up fines, revenue recoveries, and noting specific accomplishments is an incomplete exercise without a standard against which to judge the outcomes. The Regional Environmental Management Department and the Unit have had two years of operational experience. They can build on past successes to establish achievable and measurable outcomes for the Unit. When such goals are in place, management and the Council will more easily see the value of the Unit, and the Unit's efforts can more easily be directed towards contributing to the mission of the department.

We further believe that the efforts of the Unit must be recognized in the Regional Solid Waste Management Plan. The enforcement activities of the Unit are not mentioned in the Plan. However, several elements of the Plan's goals and objectives contain possible useful starting points. For example, in the overall statement of the Plan's goal, Metro is to, among other things, "...develop and implement...a solid waste system that is...cost effective." Given our position that flow control compliance enforcement is necessary to reduce the risk to Metro's revenue base, we believe that being cost effective includes collecting all the revenues due. In the details of the plan, Goal # 16, Revenue Equity and Stability, mentions that there will be sufficient revenues to fund the costs of the solid waste system. This goal could accommodate flow control enforcement as a subordinate objective. Knowing Metro's expectations for the Unit in meeting the Regional Solid Waste Management Plan's goals will facilitate directing the work's future and make setting measurable objectives easier at the Department and Unit level.

Specific flow control problems may require executive and council involvement There are two major gaps identified by the Unit where Metro solid waste still may not be fully subject to fees and charges. One has to do with the issue of "beneficial material," a classification which has been used to exempt some industrial waste from Metro user fees. The other has to do with continued misreporting of solid waste origin at some landfills. Resolution of both of these issues may require involvement of Metro executive management, and possibly of the Council.

Some solid waste exemption classifications need review Landfills are required to cover each day's waste with clean dirt or a material like a large tarp. If a hauler brings in an acceptable covering material, they are usually not charged by the landfill for dumping the dirt or other so-called beneficial material. Landfills designated by Metro to receive Metro area solid waste can also exempt the hauler from paying any of the Metro fees on beneficial material. One such landfill has been exempting large volumes of a particular type of solid waste from an industrial source. The Unit recently investigated and found that this so-called beneficial material was being dumped as regular waste and not used as cover.

The landfill should not exempt a hauler or industry from Metro fees based on the concept of beneficial material unless it uses the material in the expected fashion. Officials of Metro's Regional Environmental Management are currently negotiating with the industrial source to find a solution. We encourage this effort, and believe that the Unit should systematically investigate other landfills and industries that could also be misusing the beneficial fill exemption.

Landfills and other solid waste facilities may be accepting Metro area solid waste without collecting requisite fees The Unit has made several cases, noted above, where Metro-area solid waste has been misreported as originating from outside the Metro area. Its current investigations reveal that similar problems are still occurring, especially at several nearby landfills. Metro has a difficult problem in this regard. It has no real authority over nonMetro area landfills. If nondesignated landfills do not cooperate with Metro officials in reporting the source of solid waste, leakage from the Metro revenue base could continue and even grow. Further, haulers and waste generators who are following the rules could be

competitively harmed by businesses which continue to avoid paying legitimate Metro user fees. We believe that enough ad hoc evidence of diversion at nondesignated facilities exists to call for Metro Executive Officer and Council involvement in this resolving this issue.

Cleaning Up Illegally Dumped Solid Waste

The Solid Waste Enforcement Unit's other major responsibility assigned by the Council is cleaning up illegal dump sites. In contrast to flow control enforcement, where Metro has clear authorities and responsibilities, the Unit's role in illegal dump site cleanup is in effect a service offered to citizens of Metro. As each county within Metro, and several of the larger cities, have similar responsibilities, overlapping efforts are a matter of concern.

During the Unit's first two years of operation, it has cleaned up almost 1200 sites and found evidence which could lead to prosecution of the illegal dumpers at almost 400 of these sites. However, most of these efforts have taken place in the Multnomah County Metro area. We believe that Metro should do more to make the cleanup crews and the improved prosecution tools available to other governments within Metro boundaries. As with the flow control enforcement program, illegal dump site cleanup has no tie into Metro's solid waste management goals set out in its ten-year plan.

Cleaning up illegal dump sites The Unit is continuously cleaning up illegal dump sites, reaching almost 1200 in two years of effort. In 1994, the Unit won approval for a second crew because of the backlog of illegal dump sites. Each crew is made up of a Multnomah County Corrections Officer and a number of volunteer Multnomah County jail inmates. In addition to removing illegal dumps with their attendant problems, the work crews have been trained to retrieve evidence from the dump to identify the illegal dumper. The crews report dumps that contain hazardous materials to Metro's hazardous waste specialists.

The following table displays dimensions of the illegal dump cleanup effort undertaken by the Unit.

	<u>1993-1994</u>	<u>1995 (9 months)</u>	<u>Total</u>
Illegal dump sites cleaned up	403	782	1185
Tons of waste removed	78.9	149.8	228.7
Sites where evidence found	104	278	381
Sites where hazardous waste found	19	125	144

Note: A second work crew was added in September 1994.

Source: *Program Overview and Statistics*, various editions, Metro Solid Waste Enforcement Unit.

In addition to the cleanup statistics noted in the table above, the work crews also recover salvageable appliances (white goods) and tires. To date, the work crews have picked up 3,524 tires at illegal dump sites as well as 57 appliances.

Metro cleanup concentrated in Multnomah county

Of the 1,200 illegal dump sites the Unit's crews cleaned up in the first two years, almost 90% are in Multnomah County. The table below compares Metro's illegal dump cleanup to the Metro area populations of the three counties and to the illegal dump sites identified in a survey of the Metro region.

<u>Counties</u>	<u>1993-1995</u> Illegal site cleanup by Metro ^(a)		<u>1995</u> Metro area population ^(b)		<u>1988</u> Illegal dump sites ^(c)	
Multnomah	1,059	(88%)	617,000	(53%)	26	(33%)
Washington	31	(3%)	327,000	(28%)	20	(26%)
Clackamas	114	(9%)	213,000	(18%)	33	(42%)

Note: 1988 is used because a later survey did not include cities.

Source: ^(a)*Program Overview and Statistics*, op cit.; ^(b)Metro's planning department, and ^(c)1994 *Illegal Dump Site Survey*, Planning and Technical Services, Regional Environmental Management Department, Metro.

The preceding table clearly shows that Metro's illegal dump cleanup activity in Multnomah County (88%) is much higher

than its population (53%). In addition, the incidence of illegal dumping in Multnomah County (33%) as shown by the 1988 survey is also out of proportion to the Unit's cleanup of that county. Metro's cleanup activity in Washington and Clackamas Counties is conversely disproportionate.

Given the seeming overconcentration of the Unit's cleanup activity in Multnomah County, we believe that there is a question of consistent, equitable treatment of citizens within the Metro region. To determine whether this is a valid concern, we believe there should be a collection of data about each jurisdiction's illegal dump cleanup activity. With the results of such a survey, Metro and the other jurisdictions could better judge if the Metro efforts are inappropriately concentrated in Multnomah County.

During our review we learned that there has been disagreement about Metro's role in cleaning up illegal dumps in Washington County. Code enforcement officials there address illegal dumping on private property through citation of the property owner, and do not offer a cleanup service. According to Metro officials, Washington County officials have requested that the Unit curtail its cleanup of illegal dumps there. Strained relationships, differing perceptions of roles, and limited cooperation are neither new nor specific to illegal dump cleanup. As the recent audit report on the Waste Reduction Program pointed out,⁷ better definition of roles could go a long way toward improving relationships and promoting effective and efficient actions, in this case to clean up and deter illegal dumping.

We believe that Metro has a lot to offer in the way of investigative resources as well as trained cleanup crews. Metro also has experience in prosecuting violators under the model illegal dumping code that may be useful to other jurisdictions. Therefore, we believe that the Regional Environmental Management Department and the Executive Officer should reach out to all the governments within the Metro region to gain an under-

⁷*Metro's Regional Waste Reduction Program, Performance Audit Report, Talbot, Korvola, and Warwick, October 1993.*

standing of how the various entities can work better together on this issue. This understanding should serve as a springboard to allow each citizen of the Metro area equal access to illegal dump cleanup services.

Illegal dump site cleanup needs clear, integrated goals As with the flow control enforcement activities, we believe that the illegal dump cleanup activities of the Unit should be integrated into the Regional Solid Waste Management Plan. Clear goals in this effort are very important because of the seemingly limitless availability of illegal dump sites. Cleaning up more illegal sites and gathering more tires and appliances is a measure of the symptom, not a measure of progress towards reducing illegal dumping.

We are aware that an illegal dumping plan, which will become a part of the new ten-year Regional Solid Waste Management Plan, is not yet complete. As the Regional Environmental Management Department works on this plan, an excellent opportunity exists to set clear goals for the Unit in this area. In this regard, another use of the comprehensive illegal dump site data that we believe should be collected would be to highlight the location and significance of chronic sites. A clear, measurable goal could then be to eliminate illegal dumping at a number of such sites. Repeated cleanup by the Metro crews may still be necessary to gather evidence, but the Unit could also begin to involve other elements of Metro to help reach this goal. We believe that the outreach to other jurisdictions suggested above is also necessary, as is involving other groups such as neighborhood associations.

Conclusions and Recommendations

Metro's Solid Waste Enforcement Unit has achieved several significant accomplishments in its two years of existence, including increased revenue collections and successful prosecution of violators of Metro's flow control ordinances and fee schedules. Broader evaluation of the Unit's effectiveness is not possible at this time because of the absence of measurable objectives for the Unit. We believe that revenue collections by the Unit are incomplete measures for this task, and in any case direct revenues fall far short of the cost of the Unit. We are concerned that seemingly ad hoc efforts may not achieve improved compliance by haulers, generators, and landfills. The illegal dumping efforts are so concentrated on one county that questions of equity arise. In addition, chronic illegal dump sites may need more Metro involvement to reduce their repeated use.

The establishment of the Solid Waste Enforcement Unit was a prudent step by the Council to reduce the risk to Metro's solid waste disposal revenues. We believe that with two years of operations experience, this is an excellent time for the Unit to take stock of its accomplishments and to make adjustments to more effectively perform its duties.

Recommendations The Office of the Auditor believes that Metro should take several steps to improve the operations of the Solid Waste Enforcement Unit:

- An analysis of solid waste trends should be made, perhaps similar to the Center for Urban Studies' 1992 analysis, to give the Unit and Metro a sense of whether enforcement has decreased risk to solid waste revenues.
- Regional Environmental Management leadership should ensure that the Unit's flow control enforcement and illegal dump cleanup activities are more integrated into the objectives of the ten-year Regional Solid Waste Management Plan.

- Regional Environmental Management leadership should initiate a process whereby the Unit establishes measurable objectives for enforcement efforts. An important step is to attempt to measure the potential size of the problem, such as asking solid waste generators and haulers about their knowledge of Metro's ordinances or identifying the type of people or businesses more likely to ignore such ordinances.
- Metro should increase its efforts to delegate authority under its illegal dumping ordinance so as to facilitate the prosecution of illegal dumpers and to make enforcement penalties consistent within Metro's boundaries.
- Data on illegal dumping sites should be compiled using all jurisdictions' information. With such a data base in hand, Metro could better judge if there is too much concentration on Multnomah County and could decide how to involve other Metro and community elements to reduce use of chronic sites.
- Coordination with other local jurisdictions is needed to insure that all Metro citizens can count on cleanup, investigation, and prevention of illegal dumping in an equitable fashion.
- Metro leadership should continue its efforts to solve the problems of the definition of "beneficial materials," and to address the continuing misidentification of Metro area waste at area landfills.

Other issues During our audit work, we became aware of two possible changes in Metro's solid waste system that might have a significant impact on future enforcement efforts in solid waste. The first possibility is that Metro may revise financing of its solid waste operations. If Metro chooses an option which lowers the tipping fee at Metro transfer stations, enforcement needs might lessen. This is because the rapid increase in Metro fees and the relatively higher total Metro tipping fee were said to be one reason that the risk to Metro solid waste revenues was serious enough to create an

investigative and enforcement unit at Metro. Lower the fees and the risk may lessen.

A second possibility is that Metro's implementation of flow control rules might be challenged in federal courts. This arises from a US Supreme Court decision in 1994 that found a New York town's flow control requirement illegal under the Commerce Clause of the Constitution. While Metro's General Counsel has stated that its flow control ordinances and regulations are proper under federal law, there is still the chance that some entity could mount a legal challenge to Metro's solid waste system. If Metro's flow control authority were abridged in some way, the need for the current enforcement approach would also need review.

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Response to the Report



METRO

DATE: February 2, 1996
TO: Alexis Dow, CPA, Metro Auditor
FROM: Mike Burton, Executive Officer
RE: Response to Audit of Metro's Solid Waste Enforcement Unit

I have received the draft Audit report on the Solid Waste Enforcement Unit (SWEU) dated February 1996. Thank you for the opportunity to review and respond to this report. The following constitutes the response of the Executive Officer and staff to the report.

I. Recommendation: An analysis of solid waste trends should be made, perhaps similar to the Center for Urban Studies' 1992 analysis, to give the Unit and Metro a sense of whether enforcement has decreased risk to solid waste revenues.

The Regional Environmental Management (REM) Department will initiate a project to model the effects of enforcement on revenue flow. The REM Department will have the econometric model recalibrated and updated to take into consideration the effects of the enforcement program.

II. Recommendation: Regional Environmental Management leadership should ensure that the Unit's flow control enforcement and illegal dump cleanup activities are more integrated into the objectives of the ten-year Regional Solid Waste Management Plan.

A chapter will be added to the Regional Solid Waste Management Plan (RSWMP) that incorporates the Unit's activities into the Plan as recommended. As with any RSWMP revision, this will include public review and approval by the Metro Council and the DEQ.

III. Recommendation: Regional Environmental Management leadership should initiate a process whereby the Unit establishes measurable objectives for enforcement efforts. An important step is to attempt to measure the potential size of the problem, such as asking solid waste generators and haulers about their knowledge of Metro's ordinances or identifying the type of people or businesses more likely to ignore such ordinances.

The REM Department will develop such measures. In addition to recovered revenue, these measures should account for the economic value of environmental compliance and the reduction of hazards due to exposure to infectious, hazardous, and radioactive waste.

IV. Recommendation: Metro should increase its efforts to delegate authority under its illegal dumping ordinance so as to facilitate the prosecution of illegal dumpers and to make enforcement penalties consistent within Metro's boundaries.

The REM Department will offer local jurisdictions the authorization to have their Code Enforcement Officers or other appropriate authorities issue citations under the Metro illegal dumping ordinance. This offer has been made in the past to several of the major jurisdictions. In response to this audit recommendation, the REM Department will follow up on these past offers and extend them to all jurisdictions in the region.

V. Recommendation: Data on illegal dumping sites should be compiled using all jurisdictions' information. With such a data base in hand, Metro could, better judge if there is too much concentration on Multnomah County and could decide how to involve other Metro and community elements to reduce use of chronic sites.

The SWEU will continue its efforts to obtain information on the locations of dumpsites reported to and handled by local jurisdictions so that a more comprehensive data base may be established. An outreach program will be developed to bring together neighborhood associations, local governments, and Metro to utilize barriers, signage, patrols, and other measures in order to reduce the attractiveness to dumpers of the most chronic dumpsites. This outreach effort might best be performed by planning rather than enforcement staff in the REM Department.

VI. Recommendation: Coordination with other local jurisdictions is needed to insure that all Metro citizens can count on cleanup, investigation, and prevention of illegal dumping in an equitable fashion.

The SWEU presently coordinates closely with the City of Portland and Clackamas County to provide clean-ups and investigations on a uniform basis. Efforts are currently underway to establish a closer working relationship with Washington County as well.

VII. Recommendation: Metro leadership should continue its efforts to solve the problems of the definition of "beneficial materials," and to address the continuing misidentification of Metro area waste at area landfills.

The REM Department has prepared a draft recommendation for a clearer definition of "beneficial materials". The draft is currently being reviewed by the Executive Officer and will be presented to the Council within the next six months. The REM Department is also requiring formal documentation of details on the use of beneficial materials claimed as exempt beginning January 1996. The SWEU will be making unannounced inspections throughout the year to verify that such materials are actually used as claimed. In addition, the REM Department is studying the advisability of revising the Metro Code so as to reduce incentives and opportunities to claim exemptions inappropriately.

The problem of misidentification of Metro-area waste has been considerably reduced in the past two years because of Metro's enforcement actions. The REM Department will continue to monitor the transaction data and conduct periodic surveillance of designated facilities. In addition, the REM Department will research other methods of preventing misidentification of Metro-area waste. Feasible options will be recommended to the Council.

Materials following this page represent
Attachments to the Public Record

020896-01

AGENDA ITEM: 8.1
MEETING DATE: February 8, 1996

**Resolution No. 95-2244, For the Purpose of Amending Urban Reserve Study
Areas**

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
URBAN RESERVE STUDY AREAS)
)
)

RESOLUTION NO. 95-2244

Introduced by Councilor McLain

WHEREAS, Resolution No. 94-2040C established a 2040 Growth Concept proposal that included initial urban reserve study areas for further analysis; and

WHEREAS, Resolution No. 94-2040C anticipated that adoption of an amended Regional Urban Growth Goals and Objectives (RUGGO) ordinance including the 2040 Growth Concept text and map would be completed at the same time in 1995 that final urban reserves would be designated; and

WHEREAS, Analysis to date indicates a need to revise urban reserve study areas for continued study prior to designation of final urban reserves; and

WHEREAS, Maintaining these study areas on 2040 Growth Concept maps is helpful for illustrative purposes prior to designation of final urban reserves; now, therefore,

BE IT RESOLVED,

1. That the urban reserve study areas indicated in Exhibit "A" attached shall be the subject of Metro's continued study for possible designation as urban reserve areas consistent with the Land Conservation and Development Commission's Urban Reserve Rule.

2. That Metro's continued study of these areas does not preclude presentation of any better case or better data relating to designation of certain of these study areas or other areas as urban reserve areas prior to Metro's designation decision.

ADOPTED by the Metro Council this ____ day of _____ 1996.

Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

kaj
1250

Urban Reserve Study Area Criteria

The Growth Management Committee, a subcommittee of the full Metro Council agreed at their November 2, 1995 meeting with the staff recommendation for urban reserve study area criteria (which primarily follows the State Urban Reserve Rule which in turn cites factors 3 through 7 of State Goal 14, Urbanization) as follows:

- a) Factor 3 - "Orderly and economic provision of public facilities and services".. (Proximity to the UGB and Access to Arterials were used to quantify this factor);
- b) Factor 4 - "Maximum efficiency of land uses within and on the fringe of the existing urban area" (Proximity to Urban Centers was used to quantify this factor);
- c) Factor 5 - "Environmental, energy, economic and social consequences" (Terrain, floodplains, wetlands and riparian areas were mapped to quantify this factor);
- d) Factor 6 - "Retention of agricultural land as defined, with Class I beign the highest priority for retention and Class IV the lowest priority; " (Soil classification and exception lands were used for this factor);
- e) Factor 7 - "Compatibility of the proposed urban uses with nearby agricultural activities" (existence of a natural barrier - watercourse, change in terrain, etc. was used to quantify this factor);
- f) from the Metro Regional Urban Growth Goals and Objectives (RUGGO), we included a consideration of separation of community;
- g) from the RUGGO we included a consideration of a balance of jobs and housing.
- h) a policy of no net gain in Urban Reserve Study Areas (if new areas are added, an equal amount is deleted) is recommended. In addition, a no net gain policy in EFU lands is recommended.

**Councilor Amendments for
Metro Council Meeting
February 8, 1996**

Councilor:	Site Number:	Council Status:	Executive:	Recommendat'n:	Comments:
McFARLAND	201	In	In	Out	Lava Domes. Buildable?, Gresham Opposes
	309	In	Out	Out	Significant farm use east of development, Gresham opposes
MONROE	Forest Park 'Finger'	N.R.	N.R.		Asked Growth Mgmt. to show why it should not be in.
	308	In	Out	Reconsider	Has additional information.
KVISTAD	K1A	Out	Out	In Out	Segel
	102	Out	Out	Revise buffer area in	Could be a revision to #19 Wilsonville request (504 - 505) GM information needed
	18	In	Out	Out	At request of Wilsonville
	24	In	In	Reduce	Drop area west of 137th Meyer
MORISSETTE	80 Bohannon	Out	Out	In	Polish-Duncan Homes GM information needed
	75	Out	Out	In	Angell property
	19	In	Revise Downward	Add/Expand	Boekman Road Extension, Wilsonville GM information needed
	O'Callahan	Out	Out	In	GM information needed
	67 506	Out	Out	In In	Revision/reduction and resubmittal by owner (Standing) GM information needed
	308	In	Out	Expand	Sundholm want all of their parcel in study area GM information needed
	77 502	In (77)	In 77	Expand	Includes: Hoffman, Clackamas Co., Eraker GM information needed
WASHINGTON	None				
McCAIG	None				
McLAIN	75	out	out	in	Angell

Revised 2/7/96

**Preliminary Urban Reserve Study Areas
 Testimony from 1/18/96 & 1/25/96
 Revised February 7, 1996**

Site No.	Quadrangle	In/Out	Witness	Abstract of Testimony
1	Damascus		Scott Kappes	Urges Metro Council to study Stafford Triangle, Beaver creek, Damascus as well as K-10 site
			Stephen Calderwood	Keep out of URSA
			Jody Bruch	Damascus Community Association suggests elimination of more of the land being considered for inclusion in the URSAs - in this case, specifically most of the southeastern section of Site 1
			James B. Lucas	Supports inclusion of Site 1 in the URSAs
2	Gladstone		Michael Robinson	Entire ownership east of Graham's Ferry Road ought to be included in the URSAs
			Brian Grover	Include this site in the UGBs
3	Oregon City		Allen G. Taylor	Site 3 is a relatively flat area, close to the existing urban growth boundary and would make a good addition to the urban growth boundary.
4	Oregon City		Mike Burton	Recommends that this area come out
5	Oregon City		Mike Burton	Recommends that this area come out
			Sam Louke	Site 5 is the best alternative for a truly regional greenspace
			Larsen Family	Area 5 should be included in the UGB
			Kellogg Family	Area 5 should be included in the UGB
			Denley Family	Area 5 should be included in the UGB
			Wolf Family	Area 5 should be included in the UGB
6	Oregon City			

026896-03

7	Oregon City		Mike Burton	Revision - eliminate resource lands of approximately 50 acres
8	Oregon City		Mike Burton	Recommends that this area come out
9	Oregon City		Mike Burton	13 acres are resource lands
			Cynthia Nordstrom	Oppose inclusion of area 9
			D. A. Hildebrandt	Inappropriate to include ares 9 and 308 in URSAs since Oregon City historically has not made efforts to provide infrastructure
10	Oregon City		Mike Burton	13 acres are resource lands
11	Oregon City		Mike Burton	51 out of 55 acres are resource lands
12	Canby		Mike Burton	Revision recommended: 188 acres out of 322 are resource lands; recommends that the balance be studied
			Michael Hammons	267 acres owned by Paul Reeder who is being represented by Mr. Hammons. This parcel is adjacent to Site 12. Recommend inclusion by Mr. Hammons.
13	Canby		Kent Seida	Property: 2S-1E-26 tax lot 00200-either include this entirely or leave entirely out
16	Sherwood			
18	Sherwood		Mike Burton	83 acres out of 86 are resource lands
			City of Wilsonville (Lashbrook)	Recommend deletion of EFU-zoned property; remain hopeful that Metro will acquire this property as open space
19	Sherwood		City of Wilsonville (Lashbrook)	Supports inclusion of this site
			Louis Fasano	Supports inclusion of this site
			Michael Robinson	Supports adoption of Site 19 as originally recommended in the December 4, 1995 decision.
20	Sherwood			

21	Sherwood		Mike Burton Michael Lilly James Jacks	Low rating; recommends it come out; 162 acres out of which 114 are resource lands Most of this site is bare rock with a quarry Recommendation to study this site
22	Sherwood		Jon Bormet	Include tax lot 206 (19.9 acres) at the intersection of Elwert Rd/Kruger Rd and Pacific Highway
24	Beaverton		James Hendryx Petition Richard Brown Petition Michael Meyer Derek L. Brown James Hendryx	Study this site Eliminate this area Keep area out of URSA Urging elimination of Site 24 from further deliberation as it relates to its inclusion within the urban growth boundary. Petition was signed by 60 property holders. Eliminate this area from URSAs. Urges inclusion of this area in the URSAs City Council of Tigard recommends inclusion of site 24
25	Beaverton		Jeannette Launer James Hendryx Sheri Ralston James Hendryx	Keep in Study this site south of Scholl's Ferry Rd Include this site in the UGB City Council of Tigard recommends inclusion of site 25

26	Scholls/Beaverton		Alan Malone Petition Trudy Reusser Kenneth Reusser John Klor	Do not include the west side of Cooper Mountain as an URSA Delete Cooper Mountain site from URSA Delete this site; presented grade school artwork with this theme in mind Recommends deletion of this site; petitions signed by 70 persons presented with testimony Delete this site
27	Scholls		Mike Burton	Revision recommended; eliminate resource lands and study the rest of the site
28	Scholls		Mike Burton	Revision recommended; eliminate resource lands and study the rest of the site
29	Scholls		Mike Burton Gary Conkling	Revision recommended; eliminate resource lands and study the rest of the site Genstar Land Company Northwest representing Sisters of St. Mary property near Hillsboro; surrounded on three sides by existing UGB; next door to Inter; easily served by existing nearby water and sewer lines; served by Tri-Met's bus line from Forest Grove to downtown Portland; Hillsboro needs schools sites and a site has been identified in this area that would accomodate an elementary school and perhaps a middle school; 209th and 219th would be connected in this area, improving north to south traffic flow thus eliminating a growing safety problem at 209th and TV Highway - this connection would occur on the St. Mary's property
K1A	Scholls		Jolene Anne Segel	Urges reconsideration of K-1A proposal for inclusion as URSA
30	Forest Grove		Mike Burton City of Forest Grove	All resource lands Zurcher property: keep as URSA
31	Forest Grove		Mike Burton City of Forest Grove	All resource lands Include area north of high school in URSA
32	Forest Grove		Mike Burton City of Forest Grove	All resource lands Include area north of Council Creek in URSA

33	Forest Grove		Mike Burton	Eliminate resource lands
			City of Cornelius	Support inclusion of this site
34	Hillsboro		Mike Burton	Out because majority is resource lands
Near Site 34	Hillsboro		Mark Dane	Representing Mr. Standing: Urges inclusion of this area in the URSAs
35	Hillsboro		Mike Burton	Low rated site; 400 out of 616 acres are resource lands; site should be reduced by the amount of these resource lands
			Lance Killian	Include this area
			Randy Reichen	Opposed to inclusion of Site 35

36	Linnton		<p>Mike Burton</p> <p>Jeff Bachrach</p> <p>David P. Miller</p> <p>Mary Carol Britt</p> <p>Fred Britt</p> <p>Geni Geannopoulos</p> <p>Lee Grunes</p> <p>Carol McPherson</p> <p>Margaret Fishback</p> <p>Thomas R. Page</p> <p>Kou-Ping Cheng</p>	<p>Revision recommended by reducing the site from the amount of the resource lands</p> <p>Include Site 80 as part of Site 36</p> <p>Urges exclusion of Site 80</p> <p>Oppose inclusion of URSA 36</p> <p>Oppose inclusion of URSA 36</p> <p>Oppose inclusion of URSA 36</p> <p>Opposed to extending the URSA to the Bethany area north of Springville Rd</p> <p>Opposed to inclusion of this area</p> <p>Include this area</p> <p>Supporting the designation of site 36 as URSA</p> <p>Concerned that his property, 17.7 acres is cut in half by the proposed URSA. Feels that it is unreasonable to divide the property. Presiding Officer Kvistad explained that, when land use decisions are ultimately made, full parcels will be taken into account</p>
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37	Linton	Greg Malinowski	All land north of Springville Road and east of PCC-Rock Creek campus should be removed as well as the EFU lands north of West Union	Timothy O'Callaghan	Recommends the inclusion in the URSA of 58 acres at 6955 NW 185th	John Breiling	Representing CPO-7: Expresses concerns regarding impossible transportation goals of urban reserve lands north of West Union Road by Holcomb Lake (between Cornelius Pass Road and 185th) and north of Springville Road (between 185th and the Washington County line)	Michael Speer	Michael Speer expresses his opinion that the 41 acre parcel in the Cornelius area located on SW 34th Street is suited for inclusion in the UGB. They are also willing to donate some acreage nearby for use as a regional water quality facility	Patrick Speer	Patrick Speer expresses his opinion that their 41 acre parcel in the Cornelius area located on SW 34th Street is suited for inclusion in the UGB. They are also willing to donate some acreage nearby for use as a regional water quality facility	Joseph L. Kabdebo	Expresses wish that 54 acres of property (TL #6 and TL #12 in Section 22, 1N, 1W) be included in the URSA. Property is jointly owned with Charles and Maria E. Balogh	Charles Balogh	Expresses wish that 54 acres of property (TL #6 and TL #12 in Section 22, 1N, 1W) be included in the URSA. Property is jointly owned with Joseph and Camille Kabdebo	38	Linton			
39	Sherwood	Mike Burton	Eliminate resource lands; 36 acres, 12 of which are resource lands	Clark L. Balfour	Supports reinstatement of Township 2 South, Range 1 West, Section 28, Tax Lot 500, Willamette Meridian, Washington County, Oregon; David and Donnell Brush, owners															

48	Forest Grove		Mike Burton City of Cornelius	All resource lands; this area should come out Support inclusion of this area
49	Forest Grove		John Rankin	City of Cornelius and ten adjacent landowners support inclusion of Site 49 in the urban reserve study areas
53	Damascus		Gussie McRobert Clay Moorhead	Gresham City Council has voted unanimously not to service this area with sewer and water Representing CDA Consulting and Persimmon Golf Course. Favors inclusion of this Site in the URSAs
68	Gladstone			
69	Sherwood		Mike Burton	83 acres out of 86 are resource lands
72	Linnton		Robert L. Zahler	Supports inclusion of this site; site was included in autumn 1994 study; later replaced with the Bonney Slope area in spring 1995
74	Sherwood			
75	Linnton		Jeff H. Bachrach	Concerns raised in response to Pahlisch Duncan Homes proposal to add Site 80 to URSA are unfounded

77	Gladstone		<p>Ken Hoffman</p> <p>Shari Gilevich</p> <p>Tamara Weller</p> <p>James Uldrickson</p> <p>Dorothy Uldrickson</p> <p>Steve Eraker</p> <p>Darlene Hooley Ed Lindquist Judie Hammerstad</p> <p>Lloyd Piper</p>	<p>Wishes incorporation of property at Sunnyside Road, North to Monner Road</p> <p>Recommend changes to site boundary so that the boundary matches easterly line of Sunnyside Village (south of Sunnyside Road) and conforms to the area approved by the Board of County Commissioners for future study as an expansion to the neo-traditional village; Area A: proposed addition follows better the ownership pattern and topography of parcels to the south and west; Area B: proposed deletion is an area that will be impacted by a natural gas pipeline</p> <p>Recommends that Site 77 (Gramore) consisting of 153 acres be included in the UGB</p> <p>Recommend that 8.5 acres, Tax Lot 200, located to the east and north of the present UGB be included in the URSAs</p> <p>Recommend that 8.5 acres, Tax Lot 200, located to the east and north of the present UGB be included in the URSAs</p> <p>Desires inclusion of their 10-acre parcel north of Sunnyside Village to be included in the URSAs</p> <p>All three Clackamas County Commissioners urge the amendment of this site to include a Parcel A and deletion of Parcel B</p> <p>Constituent would like to see "symmetrical efficient growth similar to a whole apple rather than an alternative that is long and strung out..."</p>
80	Linnton		<p>Robert Van Brocklin</p> <p>Jeff H. Bachrach</p>	<p>Representing Joseph Angel: Urges inclusion of the Angel property in the Urban Reserve Study Areas</p> <p>Urges consideration of Site 80 as part of the Urban Reserve Study Areas</p>
82	Sherwood		<p>Mark Dane</p>	<p>Urges consideration of Site 82 as part of the Urban Reserve Study Areas</p>

102	Sherwood		Michael Robinson	Supports inclusion
			Robert Hartford	Recommends inclusion of property to the south of the extension of Boeckman Road should be included
112	Oregon City		Paul Reeder	Letter submits the following proposal for study in the Canemah Slopes and Canemah Crest areas: Range 3, South 1 East, Section 1, Tax lots: 800, 900, 1205, 1201, 1301, 1800, and 1700. Range 3, South 1 East, Section 2, Tax lots: 1701, 1702, 1704, 2102, 2103, 2104, 2105, 2106, 1705.
113	Beaverton		Rob Drake	Expresses the City of Beaverton's support for inclusion of Site 113 in UGB
			Kim Vandehey	It was a mistake to add EFU lands to Site 113. Recommends removal of these EFU lands
			Richard C. Brown	Opposes UGB expansion along Beef Bend Road.
			Gregg Russell	Opposes expansion on Beef Bend Road secondary to Washington County's designation of Beef Bend Road as an official scenic road
			Amber Russell	Opposes expansion on Beef Bend Road secondary to Washington County's designation of Beef Bend Road as an official scenic road
			Jerry Parmentier	Representing Petitioners for Cooper Mountain: Urge exclusion of Site 113 and inclusion of Site 5
201	Damascus		Gussie McRobert	Gresham City Council has voted unanimously not to service this area with sewer and water
			Clay Moorhead	Representing CDA Consulting and Persimmon Golf Course. Favors inclusion of this Site in the URSAs

202	Damascus		Stephen Calderwood	Keep out of URSA
			Thomas Joseph	Supports a quick decision on UGB expansion in the Damascus area. Represents North Clackamas Chamber of Commerce which includes over 700 businesses and 100,000 employees.
			Jack M. Smith	Supports a quick decision on UGB expansion in the Damascus area. Represents North Clackamas Chamber of Commerce which includes over 700 businesses and 100,000 employees.
			Brian D. Grover	Supports a quick decision on UGB expansion in the Damascus area. Represents North Clackamas Chamber of Commerce which includes over 700 businesses and 100,000 employees.
			Jody Bruch	Damascus Community Association suggests elimination of more of the land being considered for inclusion in the URSAs
			Ron Huddleston	Impractical to build homes and place people in an area where there is no industry; Damascus/Boring residents must cross downtown Portland in order to work for high-tech manufacturers in Washington County. Opposes expansion in this area.
			Sharon Ferguson	Keep present zoning, don't expand the UGB; keep our present lifestyle
			Ron Huddleston	Highway 212 in the Clackamas and Damascus areas is overburdened. Stafford and Tualatin have access to I-5 and I-205. It makes more sense to add acres to the UGB there than in Carver, Clackamas or Damascus.

203	Damascus		Lowell Patton	Wishes property south of 1979 UGB to be included
			Mary Bradley	Eliminate this site from the UGB
			Lowell Patton	Include site 203
			Stephen Calderwood	Keep this area out of URSA
			Jody Bruch	Damascus Community Association suggests elimination of more of the land being considered for inclusion in the URSAs
			Mary Bradley	Let's keep the Carver area the way it is now. Opposed to inclusion in UGB.
			Linda Gebhardt	Let's keep the Carver area the way it is now. Opposed to inclusion in UGB.
			John Reeves	Representing Damascus Water District: Unable to serve Carver at this time due to a lack of facilities.

204	Lake Oswego		Alice Schlenker	\$22 million for sewer costs; revenue deficits of over \$3 million for water costs; keep this area out of UGB
			Mike Burton	40% resource lands; area should come out
			Richard Stevens	Leave Site 204 inside the study area
			Marjorie Andre	Opposed to the addition of Stafford Triangle
			Jill Thorn	Request that the Stafford Area Task Force recommendations be supported
			Kenneth Wright	North Stafford area should remain primarily rural; recommended exception-EFU lands north of Rosemont Rd should be studied for a change to five acre plots
			Tom Cardoso	Include property on Hazelhurst Lane, map #R21E23BC tax lot 4400 in Clackamas County with the following legal description: Will ARMST DLC PT Lt 19
			Robert J. Thomas	Do not include Stafford Triangle
			Steven Miller	Opposes extension of UGB into the Stafford Triangle
			Robert Thomas	Do not include Stafford Triangle
			Petition	Opposed to inclusion of this site
			Kahlil C. Azar	Include this area
			David Marks	Include his 77 acre parcel in URSA
			Robin Nichol	Keep Stafford Triangle out of URSA
			Linda White	Landowners in the Stafford/Wanker's Corner area want to be involved in the 2040 process
			Kevin M. Harold	23,000 new acres are too much to study. Too much expansion is a self-fulfilling prophecy for disaster.
			Wendie Kellington	Representing the Halton Company: Urges inclusion of Site 204, the Stafford-Rosemont area
			City of Lake Oswego	Comparisons of costs required to service Stafford area

205	Sherwood/Canby			
206	Beaverton		James Hendryx	City Council of Tigard recommends inclusion of site 206
			James Hendryx	City Council of Tigard recommends inclusion of site 206
207	Hillsboro		Mike Burton	Out because majority is resource lands
301	Scholls			
303	Sherwood		Mike Burton	Revision recommended; about half is resource lands; eliminate those and study the rest of the site
308	Oregon City		Mike Burton	Opposes inclusion of this area
			Angela Sundholm	Incorporate all of Lot 1000 of Section 23A, T3S, R2E be included in URSA Site 308
			Cynthia Nordstrom	Opposes inclusion of this area
			Crystal Atkins	Opposes inclusion of this area
			Tammy Linver	Opposes inclusion of this area
			D. A. Hildebrandt	Inappropriate to include ares 9 and 308 in URSAs since Oregon City historically has not made efforts to provide infrastructure
			Darlene Hooley Ed Lindquist Judie Hammerstad	This area does not contribute to compact urban; urge exclusion of this area from URSAs
309	Sandy		Mike Burton	Recommends that this area come out
			Gussie McRobert	Gresham City Council has unanimously voted not to service this area with water and sewer
Non-Site Specific Testimony				

Peter Wright: UGB is best left unchanged.

Dave Nadal: If we create new urban areas, we will also be creating new "bordering farmlands" and introducing the same problems to new lands and people.

Bill Resnick: Recommends no expansion of the UGB.

Klaus Heyne representing Corbett Community Association: Arguments for studying and eventually expanding the UGB have become thinner since residents of the proposed areas have voiced their opinions in two surveys, one commissioned by Metro and one commissioned by The Oregonian.

Donald Logan, representing Washington County Farm Bureau: Any time farm land is placed under reserve or study, the price escalates to a point where farming is no longer economically feasible.

Tim Buckley: Please expand the UGB by 10,000 acres. There is a great shortage of affordable land.

Scott Ashcom, representing the Oregon Association of Nurserymen: 6145 acres of land termed EFU is entirely too much.

Jack Polans: Opposed any expansion of the UGB in the King City area.

Lynn C. White representing the Columbia Group of the Sierra Club: Urban reserves are to be sufficient to meet 50 years of growth. If the existing UGB can handle the next 20 years of growth, then we only need Urban Reserves sufficient to handle the 30 years of growth between 2015 and 2045.

James A. Zehren of the Stoel-Rives law firm: Expresses concern that Metro keep focused on the future overall quality of life in this region.

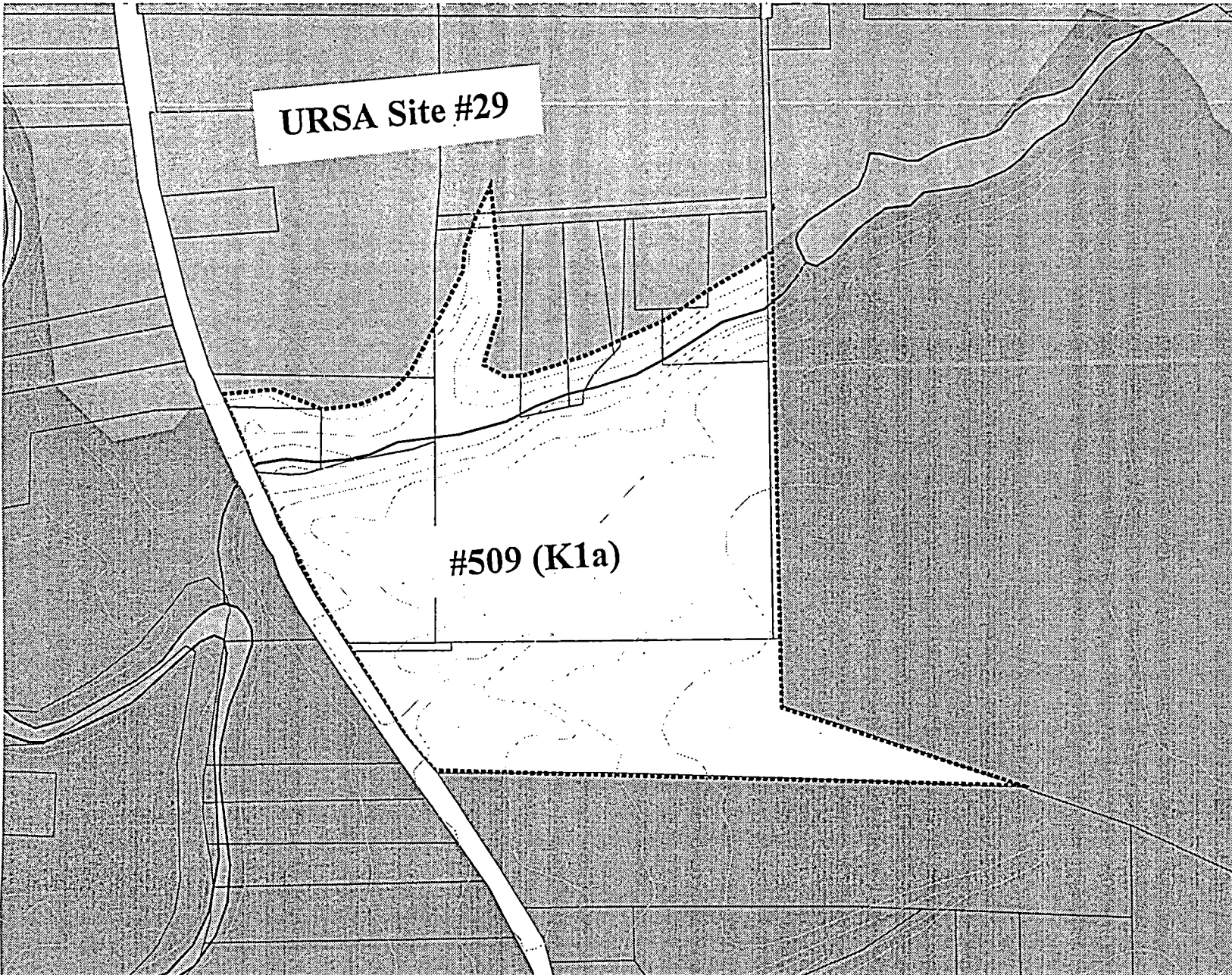
Mike Houck representing the Audubon Society of Portland: Questions the wisdom of having so in the URSAs both from the perspective that many of these acres represent farm or forest resources and also questions whether Metro has the financial and personnel resources to effectively study all of the URSAs that have been proposed.

Jack L. Orchard, Jr of Ball, Janik and Novack; Mark D. Whitlow of Bogle and Gates; Jeff H. Bachrach and Timothy V. Ramis of O'Donnell, Ramis, Crew, Corrigan and Bachrach; Wednie L. Kellington of Preston Gates and Ellis: Letter regarding legal perspectives of urban reserve study areas decisions: 1. Uncertainty about how to interpret and apply the rule since there are no court decisions addressing the urban reserve rule. 2. While the urban reserve rule gives top priority to protecting resource land, it is not a straitjacket forcing the Council to reject sites zoned for resource use when they may otherwise be desirable locations for urbanization. 3. The rule's priority list is not supposed to be considered when deciding which sites to study; it is only relevant at the next stage of the process, when the Council is actually designating properties as urban reserves.




Kristi Kvistad Blundon: Copy of newspaper article from Forest Grove News Times regarding Cornelius possibly losing land for inclusion in the UGB.

Tom Beaman: Holding the line on the UGB until evidence is clear that an expansion is necessary will do more to protect rural areas, encourage mass transit, reduce pollution, and maintain livability around the state than any other single act.

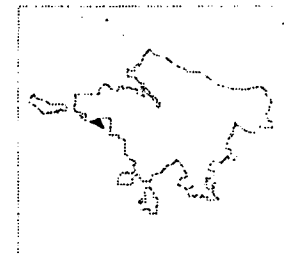
Andrew H. Kerr: Keep the UGB at its present location.



Revision
 DRAFT

-  Urban Reserve Study Area
-  Specific Study Area
-  Urban Growth Boundary

number	=	509
ugbmin	=	1985
ugbmean	=	3255.869
trans	=	17.873
cendist	=	4.309
terrain	=	4.509
fldacre	=	4.846
ripacre	=	5.405
majorsoil	=	2
bestsoil	=	2
exacre	=	0.000
exland	=	0
efuacre	=	63.063
acres	=	63.69






600 NE Grand Ave
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 (503) 797-1742

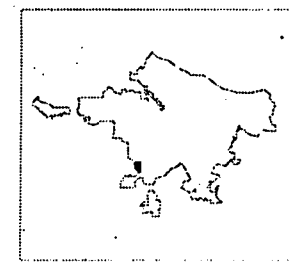


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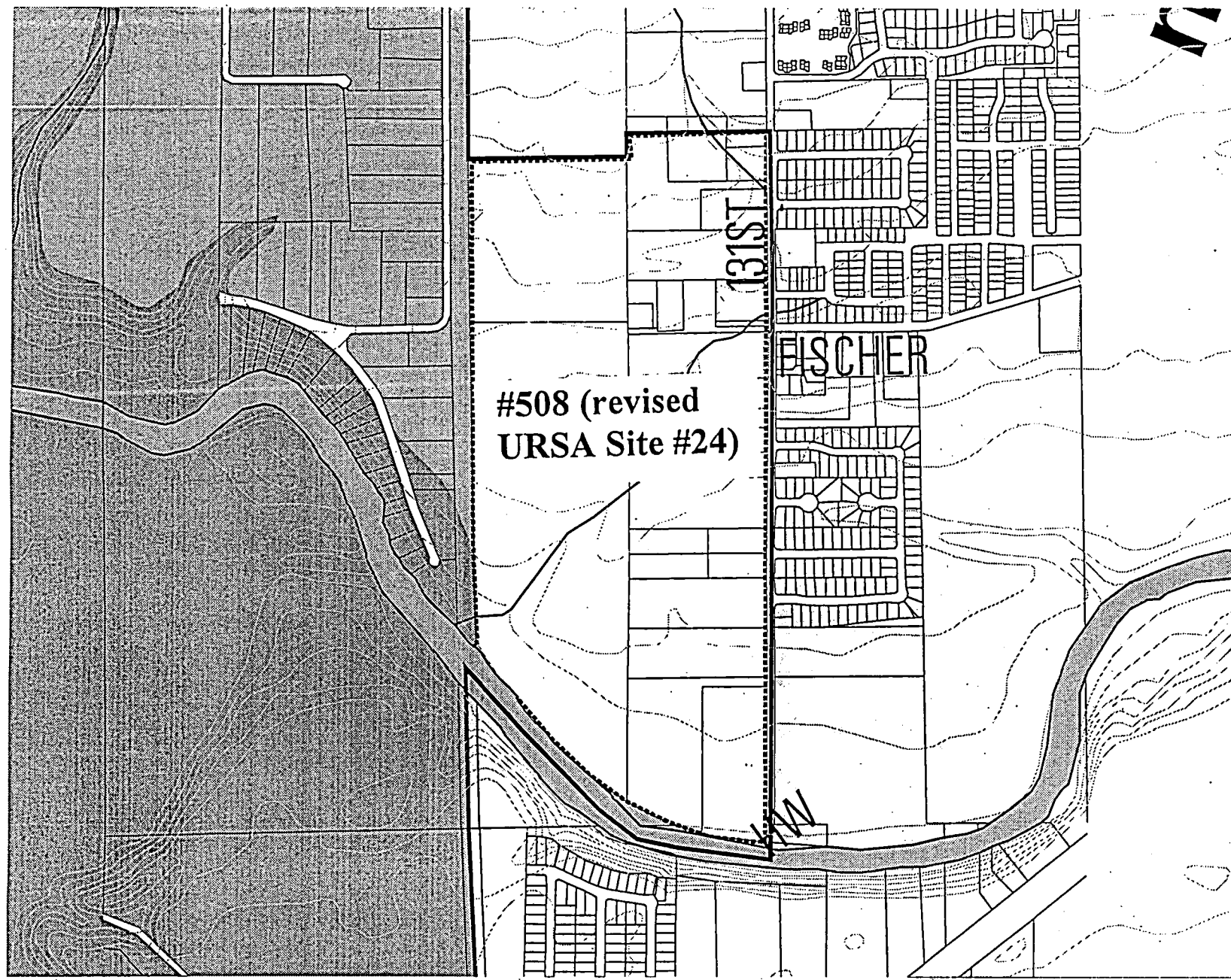
Revision
DRAFT

-  Urban Reserve Study Area
-  Specific Study Area
-  Urban Growth Boundary

number	=	508
ugbmin	=	52
ugbmean	=	527.152
trans	=	13.092
cendist	=	8.503
terrain	=	2.691
fldacre	=	40.634
ripacre	=	7.766
majorsoil	=	2
bestsoil	=	2
exacre	=	120.348
exland	=	3
efuacre	=	0.000
acres	=	120.24



600 NE Grand Ave
Portland, OR 97232-2736
(503) 797-1742



95418, plot date: February 07, 1996

020896-05

020896-06

Metro Council's Preliminary Urban Reserve Study Areas as of 1/4/96

Site #	Proponent	Quadrangle	Acres	Proximity to UGB	Access to Arterials	Proximity to Centers	Terrain (slope)	Floodplain (%)	Wetlands & Riparian (%)	Soil Classification		EFU Acres	% EFU	% Exception	Jobs/Housing (by Town Ctr.)
										Major	Best				
1	Metro	Damascus	5,052	3,872	14	8	7%	1.86%	2.71%	3	2	432	8.55%	84.36%	-1
2	Metro	Gladstone	153	1,188	18	8	4%	0.00%	0.00%	2		0	0.00%	95.42%	-0.48
3	Metro	Oregon City	128	1,033	16	5	4%	0.00%	0.00%	2		7	5.47%	89.84%	-0.48
4	Metro	Oregon City	9	210	3	6	7%	0.00%	0.00%	2		0	0.00%	100.00%	-0.48
5	Metro	Oregon City	12	390	0	7	16%	0.00%	0.00%	2		10	83.33%	0.00%	-0.48
6	Metro	Oregon City	160	1,130	18	6	7%	1.25%	0.00%	2		3	1.88%	90.00%	-0.48
7	Metro	Oregon City	375	1,248	16	5	5%	0.00%	0.53%	2		51	13.60%	82.93%	-0.48
8	Metro	Oregon City	266	1,359	3	4	6%	0.00%	1.13%	2		31	11.65%	87.59%	-0.48
9	Metro	Oregon City	1,027	2,456	18	3	4%	0.00%	0.10%	2		38	3.70%	90.65%	-0.48
10	Metro	Oregon City	19	220	0	5	5%	0.00%	0.00%	2		13	68.42%	0.00%	-0.48
11	Metro	Oregon City	55	260	14	5	7%	0.00%	0.00%	2		51	92.73%	0.00%	-0.48
12	Metro	Canby	322	696	14	4	4%	0.00%	0.31%	3	2	134	41.61%	56.21%	-0.48
13	Metro	Canby	139	526	11	7	11%	0.00%	0.72%	3	2	0	0.00%	98.56%	-0.48
16	Metro	Sherwood	48	316	15	0	9%	0.00%	0.00%	2		1	2.08%	93.75%	0.62
18	Metro (modified by #104)	Sherwood	86	562	18	1	3%	0.00%	0.00%	2	1	83	96.51%	0.00%	0.62
19	Metro	Sherwood	401	979	19	2	3%	6.48%	0.50%	2	1	267	66.58%	29.43%	0.62
20	Metro	Sherwood	243	1,222	19	0	2%	2.06%	0.41%	2		0	0.00%	92.59%	0.62
21	Metro	Sherwood	162	804	6	2	8%	1.23%	4.32%	2		114	70.37%	27.78%	0.22
22	Metro	Sherwood	112	1,434	16	1	8%	0.00%	3.57%	2		6	5.36%	87.50%	-0.5
24	Metro	Beaverton	269	632	9	8	5%	16.36%	3.72%	2		0	0.00%	92.57%	-0.86
25	Metro	Beaverton	695	1,140	12	7	10%	3.45%	2.88%	3	2	138	19.86%	74.96%	-0.97
26	Metro	Scholls/Beaverton	282	942	1	5	8%	0.00%	0.00%	3	2	1	0.35%	92.55%	-0.9
27	Metro	Scholls	117	999	19	3	3%	9.40%	0.00%	2		45	38.46%	55.56%	-0.9
28	Metro	Scholls	103	749	19	4	2%	0.00%	0.00%	2		11	10.68%	79.61%	-0.9
29	Metro	Scholls	1,072	1,363	16	4	2%	8.96%	2.52%	2	1	619	57.74%	38.15%	-0.9
30	Metro	Forest Grove	48	401	0	5	1%	18.75%	0.00%	2		48	100.00%	0.00%	-0.51
31	Metro	Forest Grove	77	420	19	4	1%	36.36%	0.00%	2		64	83.12%	0.00%	-0.51
32	Metro	Forest Grove	527	1,169	14	4	1%	15.18%	0.00%	2	1	516	97.91%	0.00%	-0.51
33	Metro	Forest Grove	279	1,141	18	4	3%	16.49%	4.66%	2		140	50.18%	42.65%	-0.51
34	Metro	Hillsboro	692	1,243	18	5	2%	9.83%	2.02%	2	1	590	85.26%	10.12%	-0.15
35	Metro	Hillsboro	616	1,488	17	3	5%	9.90%	1.14%	2	1	400	64.94%	30.19%	-0.15
36	Metro (modified)	Linnton	541	868	13	6	7%	8.32%	2.96%	3	2	285	52.68%	43.99%	-0.84
37	Metro	Linnton	406	721	3	8	20%	0.00%	5.42%	6	2	47	11.58%	82.76%	-0.51
38	Metro	Linnton	67	0	12	7	19%	0.00%	2.99%	6	4	0	0.00%	100.00%	-0.51
39	City of Wilsonville	Sherwood	36	494	14	0	9%	0.00%	5.56%	2		12	33.33%	61.11%	0.62
48	City of Cornelius	Forest Grove	65	562	16	3	4%	35.38%	0.00%	3	1	64	98.46%	1.54%	-0.51
68	Nordquist	Gladstone	14	285	1	10	26%	0.00%	0.00%	4		0	0.00%	100.00%	-1
74	Matrix Development	Sherwood	11	260	7	1	7%	9.09%	9.09%	4	2	0	0.00%	100.00%	0.22
77	Gramor Development	Gladstone	153	781	8	8	16%	0.00%	0.00%	4	3	0	0.00%	98.69%	-0.24

Site #	Proponent	Quadrangle	Acres	Proximity to UGB	Access to Arterials	Proximity to Centers	Terrain (slope)	Floodplain (%)	Wetlands & Riparian (%)	Soil Classification		EFU Acres	% EFU	% Exception	Jobs/Housing (by Town Ctr.)		
										Major	Best						
201	Comb. part #1 & #53 (CDA)	Damascus	1,584	2,160	13	4	8%	4.04%	0.00%	3	2	423	26.70%	63.95%	-1		
202	part. of original #1	Damascus	436	11,370	11	7	8%	0.00%	0.69%	2		3	0.69%	91.28%	-1		
203	Comb. part #1 & #81 (Patton)	Damascus	260	1,236	6	4	21%	1.92%	1.15%	6	2	0	0.00%	96.15%	-1		
204	Comb. 50, 73, 78, 79, K6	Lake Oswego	1,926	2,075	12	5	11%	4.98%	7.27%	3	2	769	39.93%	51.77%	-0.76		
205	Comb. #40 & #17	Sherwood/Canby	177	878	17	2	5%	0.00%	5.08%	2		0	0.00%	97.74%	0.62		
206	Comb. 42, 46 & part. K2	Beaverton	218	921	7	5	12%	0.00%	2.75%	3	2	0	0.00%	99.54%	-0.86		
207	Comb. 43, 44, 70, 71	Hillsboro	45	549	19	4	0%	0.00%	8.89%	2		17	37.78%	60.00%	-0.24		
301	K1b - part of K1 & #64	Scholls	203	2,271	16	3	3%	13.30%	8.87%	2		181	89.16%	10.34%	-0.9		
303	K3	Sherwood	632	1,251	15	1	7%	8.70%	5.22%	2		197	31.17%	62.97%	-0.5		
308	K8	Oregon City	1,947	7,778	16	2	5%	2.00%	2.72%	2		0	0.00%	96.30%	-0.48		
309	K9 (modified)	Sandy	657	2,172	16	3	6%	0.00%	0.00%	3		334	50.84%	45.21%	-0.18		
Total Acres			22,924											Total EFU Acres	6,145	26.81%	

EXECUTIVE OFFICER RECOMMENDATIONS ON METRO COUNCIL 1/4/96 URSA VOTES

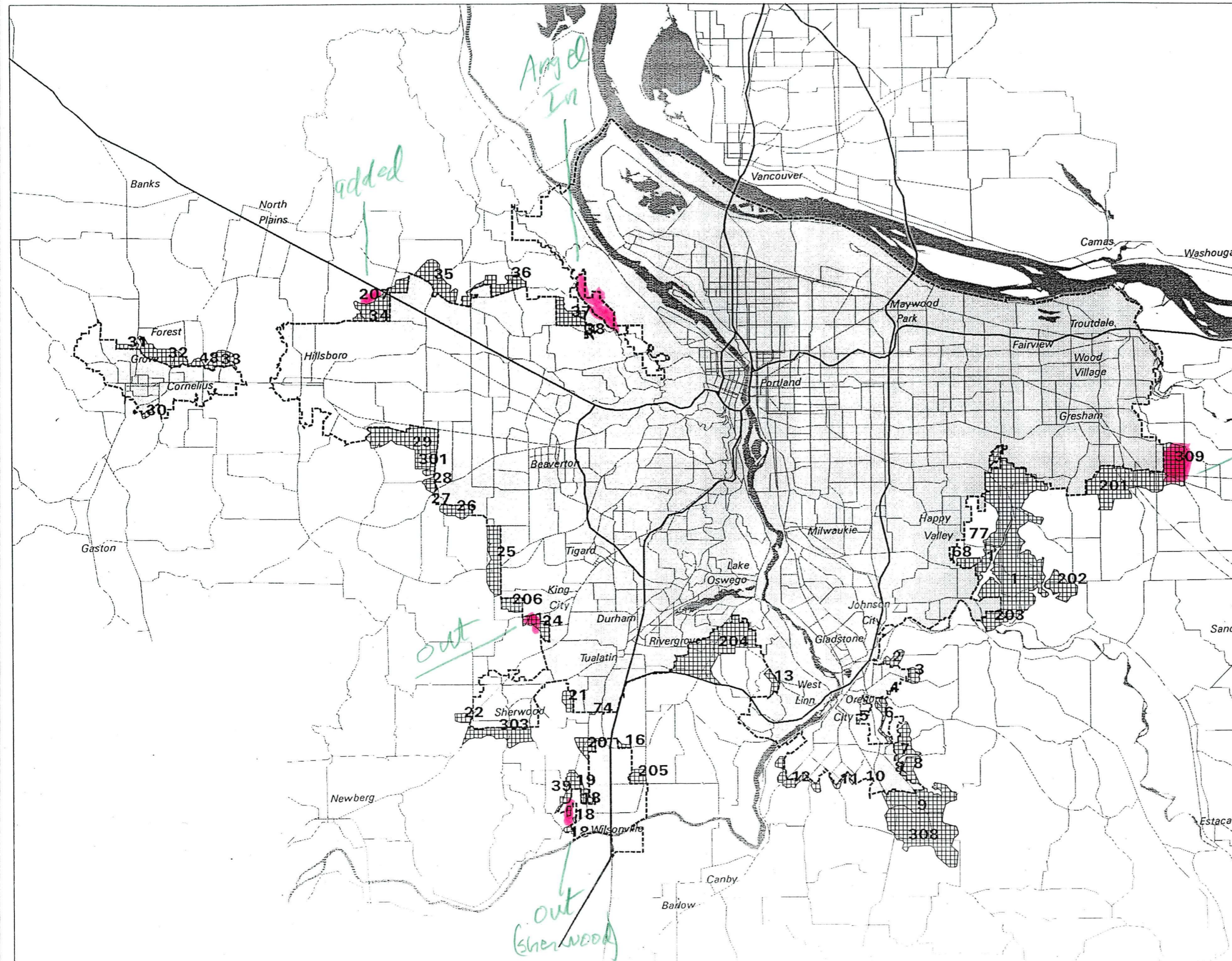
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Site #	Proponent	Quadrangle	Rating	EO Recommendation	EO Acres	Council Acres	Proximity to UGB	Access to Arterial	Proximity to Ctrs.	Terrain (slope)	Flood-plain (%)	Wetlands & Riparian (%)	Soil Class		Resource Lands-EO	Resource Lands-Council	Resource Lands %	Exception %	Jobs/Housing (by Town Ctr.)
1	Metro	Damascus	70	In	5,052	5,052	3,872	14	8	7%	1.86%	2.71%	3	2	432	432	8.55%	84.36%	-1
2	Metro	Gladstone	65	In	153	153	1,188	18	8	4%	0.00%	0.00%	2		0	0	0.00%	95.42%	-0.48
3	Metro	Oregon City	60	In	128	128	1,033	16	5	4%	0.00%	0.00%	2		7	7	5.47%	89.84%	-0.48
4	Metro	Oregon City	50	Out	0	9	210	3	6	7%	0.00%	0.00%	2		0	0	0.00%	100.00%	-0.48
5	Metro	Oregon City	25	Out	0	12	390	0	7	16%	0.00%	0.00%	2		10	10	83.33%	0.00%	-0.48
6	Metro	Oregon City	60	In	160	160	1,130	18	6	7%	1.25%	0.00%	2		3	3	1.88%	90.00%	-0.48
7	Metro	Oregon City	60	Revised	322	375	1,248	16	5	5%	0.00%	0.53%	2		0	51	13.60%	82.93%	-0.48
	Revised data						1,260	17	4	5%	0.00%	0.62%	2		0		0.00%	96.00%	-0.48
8	Metro	Oregon City	45	Out	0	266	1,359	3	4	6%	0.00%	1.13%	2		38	38	11.65%	87.59%	-0.48
9	Metro	Oregon City	60	In	1,027	1,027	2,456	18	3	4%	0.00%	0.10%	2		13	13	3.70%	90.65%	-0.48
10	Metro	Oregon City	30	Out	0	19	220	0	5	5%	0.00%	0.00%	2		51	51	68.42%	0.00%	-0.48
11	Metro	Oregon City	30	Out	0	55	260	14	5	7%	0.00%	0.00%	2		134	134	92.73%	0.00%	-0.48
12	Metro	Canby	55	Revised	188	322	696	14	4	4%	0.00%	0.31%	3	2	0	0	0.00%	96.28%	-0.48
	Revised data						763	15	4	3%	0.00%	0.27%	3	2	0	0	0.00%	98.56%	-0.48
13	Metro	Canby	55	In	139	139	526	11	7	11%	0.00%	0.72%	3	2	1	1	2.08%	93.75%	0.62
16	Metro	Sherwood	16	In	48	48	316	15	0	9%	0.00%	0.00%	2		83	83	96.51%	0.00%	0.62
18	Metro (modified by #104)	Sherwood	50	Out	0	86	562	18	1	3%	0.00%	0.00%	2	1	267	267	66.58%	29.43%	0.62
19	Metro	Sherwood	60	Revised	323	401	979	19	2	3%	6.48%	0.50%	2	1	194	194	60.25%	36.22%	0.62
	Revised data						822	18	2	3%	6.50%	0.31%	2	1	0	0	0.00%	92.59%	0.62
20	Metro	Sherwood	70	In	243	243	1,222	19	0	2%	2.06%	0.41%	2		114	114	70.37%	27.78%	0.22
21	Metro	Sherwood	35	Out	0	162	804	6	2	8%	1.23%	4.32%	2		6	6	5.36%	87.50%	-0.5
22	Metro	Sherwood	55	In	112	112	1,434	16	1	8%	0.00%	3.57%	2		0	0	0.00%	92.57%	-0.86
24	Metro	Beaverton	65	In	269	269	632	9	8	5%	16.36%	3.72%	2		138	138	19.86%	74.96%	-0.97
25	Metro	Beaverton	65	In	695	695	1,140	12	7	10%	3.45%	2.88%	3	2	1	1	0.35%	92.55%	-0.9
26	Metro	Scholls	60	In	282	282	942	1	5	8%	0.00%	0.00%	3	2	45	45	38.46%	55.56%	-0.9
27	Metro	Scholls	65	Revised	62	117	999	19	3	3%	9.40%	0.00%	2		11	11	10.68%	79.61%	-0.9
	Revised data						848	19	4	3%	13.24%	0.00%	2		0	0	0.00%	91.18%	-0.9
28	Metro	Scholls	70	Revised	93	103	749	19	4	2%	0.00%	0.00%	2		2	2	2.15%	88.17%	-0.9
	Revised data						653	19	5	2%	0.00%	0.00%	2		619	619	57.74%	38.15%	-0.9
29	Metro	Scholls	60	Revised	389	1,072	1,363	16	4	2%	8.96%	2.52%	2	1	3	3	0.77%	93.32%	-0.9
	Revised data						896	16	5	3%	8.48%	4.11%	2		48	48	100.00%	0.00%	-0.51
30	Metro	Forest Grove	40	Out	0	48	401	0	5	1%	18.75%	0.00%	2		64	64	83.12%	0.00%	-0.51
31	Metro	Forest Grove	50	Out	0	77	420	19	4	1%	36.36%	0.00%	2		516	516	97.91%	0.00%	-0.51
32	Metro	Forest Grove	45	Out	0	527	1,169	14	4	1%	15.18%	0.00%	2	1	140	140	50.18%	42.65%	-0.51
33	Metro	Forest Grove	60	Revised	137	279	1,141	18	4	3%	16.49%	4.66%	2		0	0	0.00%	86.13%	-0.51
	Revised data						644	17	4	5%	29.20%	8.76%	2		590	590	85.26%	10.12%	-0.15
34	Metro	Hillsboro	40	Out	0	692	1,243	18	5	2%	9.83%	2.02%	2	1					

Site #	Proponent	Quadrangle	Rating	EO Recommendation	EO Acres	Council Acres	Proximity to UGB	Access to Arterial	Proximity to Ctrs.	Terrain (slope)	Floodpl. (%)	Wetlands & Riparian (%)	Soil Class Major	Soil Class Best	Resource Lands-EO	Resource Lands-Council	Resource Lands %	% Exception	Jobs/Housing (by Town Ctr.)	
35	Metro	Hillsboro	50	Out	0	616	1,488	17	3	5%	9.90%	1.14%	2	1						
36	Metro (modified) Revised data	Linnton	60	Revised	439	541	868	13	6	7%	8.32%	2.96%	3	2		400	64.94%	30.19%	-0.15	
37	Metro	Linnton	75	In	406	406	721	13	7	7%	6.83%	3.64%	3	2	203	285	52.68%	43.99%	-0.84	
38	Metro	Linnton	90	In	67	67	0	3	8	20%	0.00%	5.42%	6	2	47	47	11.58%	82.76%	-0.51	
39	City of Wilsonville Revised data	Sherwood	55	Revised	24	36	494	12	7	19%	0.00%	2.99%	6	4	0	0	0.00%	100.00%	-0.51	
48	City of Cornelius	Forest Grove	55	Out	0	65	605	14	0	9%	0.00%	5.56%	2			12	33.33%	61.11%	0.62	
68	Nordquist	Gladstone	70	In	14	14	562	15	0	8%	0.00%	4.17%	2		1		4.17%	91.67%	0.62	
74	Matrix Development	Sherwood	55	In	11	11	285	16	3	4%	35.38%	0.00%	3	1		64	98.46%	1.54%	-0.51	
77	Gramor Development	Gladstone	55	In	153	153	781	7	1	7%	9.09%	9.09%	4	2	0	0	0.00%	100.00%	-1	
201	Comb. part #1 & #53	Damascus	60	In	1,584	1,584	2,160	7	1	7%	9.09%	9.09%	4	3	0	0	0.00%	100.00%	0.22	
202	part. of original #1	Damascus	55	In	436	436	11,370	13	4	8%	4.04%	0.00%	3	2	423	423	26.70%	63.95%	-1	
203	Comb. part #1 & #81	Damascus	70	In	260	260	1,236	11	7	8%	0.00%	0.69%	2		3	3	0.69%	91.28%	-1	
204	Comb. 50, 73, 78, 79, K	Lake Oswego	55	Out	0	1,926	2,075	6	4	21%	1.92%	1.15%	6	2	0	0	0.00%	96.15%	-1	
205	Comb. #40 & #17	Sherwood	70	In	177	177	878	12	5	11%	4.98%	7.27%	3	2		769	39.93%	51.77%	-0.76	
206	Comb. 42, 46 & part. K2	Beaverton	55	In	218	218	921	17	2	5%	0.00%	5.08%	2		0	0	0.00%	97.74%	0.62	
207	Comb. 43, 44, 70, 71	Hillsboro	55	Out	0	45	549	7	5	12%	0.00%	2.75%	3	2	0	0	0.00%	99.54%	-0.86	
301	K1b - part of K1 & #64	Scholls	50	Out	0	203	2,271	19	4	0%	0.00%	8.89%	2			17	37.78%	60.00%	-0.24	
303	K3 Revised data	Sherwood	45	Revised	354	632	1,251	16	3	3%	13.30%	8.87%	2			181	89.16%	10.34%	-0.9	
308	K8	Oregon City	50	Out	0	1,947	7,778	15	1	7%	8.70%	5.22%	2		0		197	31.17%	62.97%	-0.5
309	K9 (modified)	Sandy	60	Out	0	657	2,172	17	1	7%	14.41%	5.08%	2				0	0.00%	90.96%	
								16	3	6%	0.00%	0.00%	3			334	50.84%	45.21%	-0.18	
Total Acres					Exec. Officer	13,965	Council	22,924	Total Resource Lands (EO)					1,502	Total Resource Lands (Council)					6,145
									Resource Lands % (EO)					10.76%	Resource Lands% (Council)					26.81%

Preliminary URSA'S

Approved By
METRO Council 1/4/96



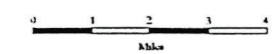
added

Angled In

out (K9)

out

out (Sherwood)



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METRO