

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE FOR THE PURPOSE OF)	ORDINANCE NO. 90-333-A
IMPOSING EXCISE TAXES)	
)	Introduced by Rena Cusma,
)	Executive Officer, and
)	Council Finance Committee

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. The Council finds:

a. Oregon Laws 1989, ch 332 (ORS 268.507) authorizes the District to impose excise taxes on persons using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

b. It is appropriate to impose such excise taxes on all persons paying compensation or giving consideration for the use of facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

c. The District by agreement with the City of Portland has agreed to forbear from imposing any such excise tax on persons using certain facilities operated by the District but owned by the City of Portland and therefore it is appropriate to exempt users of such facilities from the payment of excise taxes.

Section 2. A new Chapter 7.01 Excise Taxes is added to the Metro Code to be numbered, titled and to read as follows:

TITLE VII.

CHAPTER 7.01
EXCISE TAXES

7.01.010 Definitions: Except where the context otherwise requires, the definitions given in this Section govern the construction of this Chapter:

(a) "Accrual basis accounting" means as this term relates to revenue recognition the operator records the revenue from a user on his/her records when the revenue is earned, whether or not it is paid.

(b) "Cash basis accounting" means the operator records the revenue from a user on his/her records when cash is received.

(c) "District facility" means any facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the District. District facility includes but is not limited to all services provided for compensation by employees, officers or agents of Metro, the Metro Washington Park Zoo, Metro ERC Facilities including but not limited to the Oregon Convention Center, the Metro South Station, the St. Johns Landfill, the Metro East Station, the Riedel Oregon Compost Company, Inc. Solid Waste Compost Facility, any other solid waste transfer, processing, disposal or recycling center owned, operated or financed by or for the District, all solid waste facilities subject to the issuance of a franchise pursuant to Metro Code Chapter 5.01, and any other facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the District.

(d) "Metro ERC Facility" means any facility operated or managed by the Metropolitan Exposition-Recreation Commission.

(e) "Operator" means a person who receives compensation from any source arising out of the use of a District facility. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this Chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this Chapter by either the principal or managing agent shall be considered to be compliance by both.

(f) "Person" means any individual, firm, partnership, joint venture, association, governmental body, joint stock company, corporation, estate, trust, syndicate, or any other group or combination acting as a unit.

(g) "Payment" means the consideration charged, whether or not received by the operator, for the use of a District facility, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

(h) "Tax" means either the tax payable by the user or the aggregate amount of taxes due from an operator during the period for which he/she is required to report his/her collections.

(i) "User" means any person who pays compensation for the use of a District facility or receives a product or service from a District facility subject to the payment of compensation.

7.01.020 Tax Imposed:

(a) For the privilege of use of the facilities, equipment, systems, functions, services, or improvements owned, operated, franchised, or provided by the District, each user shall pay a

tax in the amount established in subsection 7.01.020(b) but not to exceed six percent (6%) of the payment charged by the operator or the District for such use. The tax constitutes a debt owed by the user to the District which is extinguished only by payment of the tax directly to the District or by the operator to the District. The user shall pay the tax to the District or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If payment is paid in installments to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The Council may for any annual period commencing July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) by so providing in the annual budget ordinance adopted by the District. If the Council so establishes a lower rate of tax, the Executive Officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unless further action to establish a lower rate is adopted by the Council as provided for herein.

7.01.025 Collection of Tax by District.

(a) The District shall allocate from all payments made directly to the District by any user the amount of the tax provided for in Section 7.01.020.

(b) Unless stated separately on any request for payment or charge imposed or established by the District the excise tax shall be presumed to be included in the amount imposed or established by the District so that the excise tax shall be computed in such amount that the total charged shall equal the amount of compensation owed to the District plus the excise tax at the rate established herein. To the extent necessary to give effect to this provision all rates and charges established by the District and in effect on the effective date of this Chapter shall be deemed decreased by such percentage amount so that after such date the amount of the rate or charge together with the amount of the excise tax provided for in Section 7.01.020 shall be equal to the previously established rate or charge. Thereafter rates and charges shall be subject to amendment as provided by law.

(c) In the case of installment payments to the District a proportionate share of the tax shall be deemed paid by the user with each installment.

7.01.030 Collection of Tax by Operator; Rules for Collection.

(a) Every operator unless specifically exempted under the terms of this Chapter, shall collect a tax from users. The tax collected or accrued by the operator constitutes a debt owing by the operator to the District.

(b) In all cases of credit or deferred payments, the payment of tax to the operator may be deferred until the payment is paid, and the operator shall not be liable for the tax until credits are paid or deferred payments are made. Adjustments may be made for uncollectibles.

(c) The Executive Officer shall enforce provisions of this Chapter and shall have the power to adopt rules and regulations not inconsistent with this Chapter as may be necessary to aid in the enforcement. Prior to the adoption of rules and regulations, the Executive Officer shall give public notice of intent to adopt rules and regulations, provide copies of the proposed rules and regulations to interested parties, and conduct a public hearing on the proposed rules and regulations. Public notice shall be given when rules and regulations have been finally adopted. Copies of current rules and regulations shall be made available to the public upon request. It is a violation of this Code to violate rules and regulations duly adopted by the Executive Officer.

7.01.040 Operator's Duties: Each operator shall collect the tax imposed by this Chapter at the same time as payment is collected from every user. The amount of tax shall be separately stated upon the operator's records, and any receipt rendered by the operator.

7.01.050 Exemptions:

(a) The following persons, users and operators are exempt from the requirements of this Chapter:

- (1) Persons, users and operators whom the District is prohibited from imposing an excise tax upon under the Constitution or Laws of the United States or the Constitution or Laws of the State of Oregon.
- (2) Persons who are users and operators of the Memorial Coliseum, Portland Civic Stadium or the Portland Center for the Performing Arts.
- (3) Persons whose payments to the District or to an operator constitute a donation, gift or bequest for the receipt of which neither the District nor any operator is under any contractual obligation related thereto.

- (4) Any persons making payment to the District for a business license pursuant to ORS 701.015.
- (5) Any person which is a state, a state agency or a municipal corporation to the extent of any payment made directly to the District for any purpose other than solid waste disposal, use of a Metro ERC facility, or use of the Metro Washington Park Zoo.
- (6) Users who are sublessees, subtenants, sublicensees, or other persons paying compensation for the use of Metro ERC Facilities including payments by users for concessions or catering services made to the Commission or its agents but not users who purchase admission tickets for events at Metro ERC Facilities that are available to members of the general public.
- (7) An operator of a franchised processing center that accomplishes material recovery and recycling as a primary operation.

(b) Any person, user or operator that is exempt for the payment of an excise tax pursuant to this section shall nonetheless be liable for compliance with this Chapter and the payment of all taxes due pursuant to any activity engaged in by such person which is subject to this Chapter and not specifically exempted from the requirements hereof. Any operator whose entire compensation from others for use of a District facility is exempt from the provisions of this Chapter shall be deemed to be a user and not an operator.

7.01.060 Registration of Operator; Form and Contents; Execution; Certification of Authority.

(a) Every person engaging or about to engage in business as an operator in the District shall register with the Executive Officer on a form provided by the Executive Officer. Operators starting business must register within fifteen (15) calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration. Registration shall set forth the name under which an operator transacts or intends to transact business, the location of his/her place of business and such other information to facilitate the collection of the tax as the Executive Officer may require. The registration shall be signed by the operator.

(b) The Executive Officer shall, within ten (10) days after registration, issue without charge a certificate of authority to each registrant to collect the tax from users, together with a

duplicate thereof for each additional place of business of each registrant. Certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the Executive Officer upon the cessation of business at the location named or upon the business sale or transfer. Each certificate and duplicate shall state the place of business to which it is applicable and shall be prominently displayed thereon so as to be seen and come to notice readily of all users.

(c) Said certificate shall, among other things, state the following:

- (1) The name of the operator;
- (2) The address of the facility;
- (3) The date upon which the certificate was issued;
- (4) "This Excise Tax Registration Certificate signifies that the person named has fulfilled the requirements of the Excise Tax Chapter of the Code of the Metropolitan Service District for the purpose of collecting and remitting the excise tax. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, or to operate a facility without strictly complying with all local applicable laws. This certificate does not constitute a permit or a franchise."

7.01.070 Due Date; Returns and Payments.

(a) The tax imposed by this Chapter shall be paid by the user to the operator at the time that payment is made. All amounts of such taxes collected by any operator are due and payable to the District on the 15th day of each month for the preceding month; and are delinquent on the last day of the month in which they are due. If the last day of the month falls on a holiday or weekend, amounts are delinquent on the first business day that follows. The initial return under this Chapter may be for less than a full month preceding the due date; thereafter returns shall be made for the applicable monthly period.

(b) On or before the 15th day of the month following each month of collection, a return for the preceding month's tax collections shall be filed with the Executive Officer. The return shall be filed in such form as the Executive Officer may prescribe by every operator liable for payment of tax.

(c) Returns shall show the amount of tax collected or otherwise due for the related period. The Executive Officer may

require returns to show the total receipts upon which tax was collected or otherwise due, gross receipts of the operator for such period and an explanation in detail of any discrepancy between such amounts, and the amount of receipts exempt, if any.

(d) The person required to file the return shall deliver the return, together with the remittance of the amount of the tax due, to the Executive Officer, either by personal delivery or by mail. If the return is mailed, the postmark shall be considered the date of delivery for determining delinquencies.

(e) For good cause, the Executive Officer may extend for not to exceed one (1) month the time for making any return or payment of tax. No further extension shall be granted, except by the Executive Officer. Any operator to whom an extension is granted shall pay interest at the rate of 1.25 percent (1.25%) per month on the amount of tax due without proration for a portion of a month. If a return is not filed, and the tax and interest due is not paid by the end of the extension granted, then the interest shall be added to the tax due for computation of penalties described elsewhere in this Chapter.

(f) The Executive Officer, if deemed necessary in order to ensure payment or facilitate collection by the District of the amount of taxes in any individual case, may require returns and payment of the amount of taxes more frequently than monthly periods.

7.01.080 Penalties and Interest.

(a) Original delinquency. Any operator who has not been granted an extension of time for remittance of tax due and who fails to remit any tax imposed by this Chapter prior to delinquency shall pay a penalty of ten percent (10%) of the amount of the tax due in addition to the amount of the tax.

(b) Continued delinquency. Any operator who has not been granted an extension of time for remittance of tax due, and who failed to pay any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of fifteen percent (15%) of the amount of the tax due plus the amount of the ten percent (10%) penalty first imposed.

(c) Fraud. If the Executive Officer determines that the nonpayment of any remittance due under this Chapter is due to fraud or intent to evade the provisions thereof, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to the penalties stated in paragraphs (a) and (b) of this Section.

(d) Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this Chapter shall pay interest at the rate of 1.25 percent (1.25%) per month or fraction thereof without proration for portions of a month, on the amount of the tax due from the date on which the remittance first became delinquent until paid. Interest shall be compounded monthly.

(e) Penalties and Interest merged with tax. Every penalty imposed and such interest as accrues under the provisions of this Section shall be merged with and become a part of the tax herein required to be paid. If delinquency continues, requiring additional penalty and interest calculations, previously assessed penalty and interest are added to the tax due. This amount becomes the new base for calculating new penalty and interest amounts.

(f) Petition for waiver. Any operator who fails to remit the tax herein levied within the time herein stated shall pay the penalties herein stated, provided, however, the operator may petition the Executive Officer for waiver and refund of the penalty or any portion thereof and the Executive Officer may, if a good and sufficient reason is shown, waive and direct a refund of the penalty or any portion thereof.

7.01.090 Deficiency Determination; Fraud, Evasion, Operator Delay.

(a) Deficiency determinations. If the Executive Officer determines that the results are incorrect, it may compute and determine the amount required to be paid on the basis of the facts contained in the return or returns, or upon the basis of any information within its possession or that may come into its possession. One or more deficiency determinations may be made of the amount due for one, or more than one, period, and the amount so determined shall be due and payable immediately upon service of notice as herein provided after which the amount determined is delinquent. Penalties or deficiencies shall be applied as set forth in Section 7.01.080.

- (1) In making a determination the Executive Officer may offset overpayments, if any, which may have been previously made for a period or periods against any underpayment for a subsequent period or periods, or against penalties and interest on the underpayments. The interest on underpayments shall be computed in the manner set forth in Section 7.01.080.
- (2) The Executive Officer shall give to the operator a written notice of its determination. The notice may be served personally or by mail. If by mail,

the notice shall be addressed to the operator at his/her address as it appears on the records of the Executive Officer. In case of service by mail or any notice required by this Chapter, the service is complete at the time of deposit in the United States Post Office.

- (3) Except in the case of fraud or intent to evade this Chapter or authorized rules and regulations, every deficiency determination shall be made and notice thereof mailed within three (3) years after the last day of the month following the close of the period for which the amount is proposed to be determined or within three (3) years after the return is filed, whichever period expires the later.
- (4) Any determination shall become due and payable immediately upon receipt of notice and shall become final within ten (10) days after the Executive Officer has given notice thereof, provided, however, the operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

(b) Fraud, refusal to collect, evasion. If any operator shall fail or refuse to collect said tax or to make within the time provided in this Chapter any report and remittance of said tax or any portion thereof required by this Chapter, or makes a fraudulent return or otherwise willfully attempts to evade this Chapter, the Executive Officer shall proceed in such manner as deemed best to obtain facts and information on which to base an estimate of the tax due. As soon as the Executive Officer has determined the tax due that is imposed by this Chapter from any operator who has failed or refused to collect the same and to report and remit said tax, it shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this Chapter. In case such determination is made, the Executive Officer shall give a notice in the manner aforesaid of the amount so assessed. Such determination and notice shall be made and mailed within three (3) years after discovery by the Executive Officer of any fraud, intent to evade or failure or refusal to collect said tax, or failure to file return. Any determination shall become due and payable immediately upon receipt of notice and shall become final within ten (10) days after the Executive Officer has given notice thereof, provided, however, the operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

(c) Operator delay. If the Executive Officer believes that the collection of any tax or any amount of tax required to be collected and paid to the District will be jeopardized by delay, or if any determination will be jeopardized by delay, the Executive Officer shall thereupon make a determination of the tax or amount of tax required to be collected, noting the fact upon the determination. The amount so determined as herein provided shall be immediately due and payable, and the operator shall immediately pay such determination to the Executive Officer after service of notice thereof; provided, however, the operator may petition, after payment has been made, for redemption and refund of such determination, if the petition is filed within ten (10) days from the date of service of notice by the Executive Officer.

7.01.100 Hearings, Contested Cases.

(a) Any person against whom a determination is made under Section 7.01.090 or any person directly interested may request a hearing on the matter in contest and request redemption and refund within the time required in Section 7.01.090. The determination becomes final at the expiration of the allowable time and no hearing may be requested thereafter. Hearings shall be conducted as provided for in Chapter 2.05 except that the deadline for requesting a hearing shall be as provided for herein.

(b) No request for a hearing and refund or appeal therefrom shall be effective for any purpose unless the operator has first complied with the payment provisions hereof.

7.01.110 Security for Collection of Tax: The Executive Officer, whenever deemed necessary to ensure compliance with this Chapter, may require any operator subject thereto to deposit with it such security in the form of cash, bond, or other security as the Executive Officer may determine. The amount of the security shall be fixed by the Executive Officer but shall not be greater than twice the operator's estimated average liability for the period for which he/she files returns, determined in such manner as the Executive Officer deems proper. The amount of the security may be increased or decreased by the Executive Officer subject to the limitation herein provided.

7.01.120 Refunds.

(a) Refunds by District to operator. Whenever the amount of any tax, penalty, or interest has been paid more than once or has been erroneously collected or received by the Executive Officer under this Chapter, it may be refunded, provided a verified claim in writing therefor, stating the specific reason upon which the claim is founded, is filed with the Executive Officer within three (3) years from the date of payment. The claim shall be made on forms provided by the Executive Officer.

If the claim is approved by the Executive Officer, the excess amount collected or paid may be refunded or may be credited on any amounts then due and payable from the operator from whom it was collected or by whom paid and the balance may be refunded to such operator, his/her administrators, executors, or assignees.

(b) Refunds by District to users. Whenever the tax required by this Chapter has been collected by the District or by an operator, and deposited by the operator with the Executive Officer, and it is later determined that the tax was erroneously collected or received by the Executive Officer, it may be refunded by the Executive Officer to the user, provided a verified claim in writing therefor, stating the specific reason on which the claim is founded, is filed with the Executive Officer within three (3) years from the date of payment.

7.01.130 Administration.

(a) Records required from operator, et cetera; form. Every operator shall keep records of all sales and transactions. All records shall be retained by the operator for a period of three (3) years and six (6) months after they come into being.

(b) Examination of records; investigations. The Executive Officer, or any person authorized in writing by the Executive Officer, may examine during normal business hours the books, papers and accounting records relating to any operator, after notification to the operator liable for the collection and payment of the tax, and may investigate the business of the operator in order to verify the accuracy of any return made, or if no return is made by the operator, to ascertain and determine the amount required to be paid.

(c) At any time within three (3) years after any tax or any amount of tax required to be collected becomes due and payable or at any time within three (3) years after any determination becomes final, the Executive Officer may cause the General Counsel to bring an action in the courts of this state, or any other state, or of the United States in the name of the District to collect the amount delinquent together with penalties and interest.

(d) Confidential financial information. Except as otherwise required by law, it shall be unlawful for the Executive Officer, or any officer, employee, or agent, to divulge, release, or make known in any manner any financial information submitted or disclosed to the Executive Officer under the terms of this Chapter. Nothing in this subsection shall be construed to prohibit:

- (1) The disclosure to, or the examination of, financial records by District officials, employees

- or agents for the purpose of administering or enforcing the terms of this Chapter, or collecting taxes imposed under the terms of this Chapter; or
- (2) The disclosure to the taxpayer or his/her authorized representative of financial information, including amounts of excise taxes, penalties, or interest, after filing of a written request by the taxpayer or his/her authorized representative and approval of the request by the Executive Officer; or
 - (3) The disclosure of the names and addresses of any persons to whom Excise Tax Registration Certificates have been issued; or
 - (4) The disclosure of general statistics in a form which would prevent the identification of financial information regarding any particular taxpayer's return or application; or
 - (5) The disclosure of financial information to the Office of General Counsel, to the extent the Executive Officer deems disclosure or access necessary for the performance of the duties of advising or representing the Executive Officer.

7.01.150 Violations. It is unlawful for any operator or other person so required to fail or refuse to register as required herein, or to furnish any return required to be made, or fail or refuse to furnish a supplemental return or other data required by the Executive Officer or to render a false or fraudulent return. No person required to make, render, sign, or verify any report shall make any false or fraudulent report, with intent to defeat or evade the determination of any amount due require by this Chapter. The Executive Officer may impose a civil penalty of up to \$500 for each violation of this Chapter. A violation includes, but is not limited to:

(a) Failure to file any required Tax payment and report, including any penalties and interest, within sixty (60) days of the due date;

(b) Filing a false or fraudulent report;

(c) Failure to register a facility with the Executive Officer as described in Section 7.01.060;

(d) Failure to maintain a separate account for the excise tax collected.

Section 3. This Ordinance shall be in force and effect on July 1, 1990, or ninety (90) days after its adoption by the Council, whichever date is later.

ADOPTED by the Council of the Metropolitan Service District
this 8th day of March 1990.



Tanya Collier, Presiding Officer

ATTEST:



Gwen Ware-Barrett
Clerk of the Council

DBC/gl
1013

FINANCE COMMITTEE REPORT

ORDINANCE NO. 90-333A, AN ORDINANCE FOR THE PURPOSE OF IMPOSING AN EXCISE TAX

Date: March 5, 1990

Presented by: Councilor Van Bergen

COMMITTEE RECOMMENDATION: At the March 1, 1990 Finance Committee meeting the Committee approved a recommendation for Council adoption of Ordinance No. 90-333 as amended (90-333A). Voting in favor were Councilors Collier, Devlin, Gardner and Van Bergen. Voting against the motion was Councilor Wyers.

COMMITTEE DISCUSSION/ISSUES: The Committee held two public hearings on Ordinance No. 90-333. The first was held on February 20, 1990, and the second was held on March 1, 1990. At the February 20, 1990 meeting General Counsel Cooper presented the staff report. He indicated that Ordinance No. 90-333 was the result of legislation enacted by the 1989 Legislative Assembly which authorizes the district to impose an excise tax on persons using facilities or services provided by the District. The Ordinance as written imposes the tax on persons using the services of the Zoo; the Convention Center; the solid waste system (both the District's system and private facilities franchised by the District); planning services and the rental of office space and parking at the Metro Center building. The ordinance provides exemptions from paying the tax for: 1) persons exempted by laws of the state or federal governments; 2) persons using City ERC facilities (Memorial Coliseum, Civic Stadium and the Performing Arts Center); 3) persons who donate money to the District; 4) persons making payments for a business license under ORS 701.015; 5) any state or local government unless the government uses the Zoo, solid waste system or convention center; and 6) subleases or subtenants who pay money to a user or renter of the Convention Center.

Mr. Cooper indicated the ordinance provides for the Council to set a maximum tax rate to be imposed which can be lowered each year through adoption of the annual budget ordinance. Finally, the ordinance has an effective date of July 1, 1990 or 90 days after its adoption, whichever date is later. Additional staff information available at the meeting were 1) a memo from Don Carlson dated October 31, 1989 titled "Implementation of Metro Excise Tax" (see Attachment 1 to this report); and 2) a memo from Don Carlson and Ray Phelps dated February 2, 1990 titled "Actual and Projected Revenue and Expenditures for Proposed General Government and Support Service Funds--FY 1988-89 to FY 1992-93" (see Attachment 2 to this report).

At the February 20, 1990 meeting six citizens testified generally in opposition to the proposed tax and requested that the Council refer the ordinance to the voters of the District for approval or disapproval. Committee members discussed the proposed ordinance

and several possible amendments including one to include a voter referral clause (Councilor Wyers) and another to expand the tax to include use of the City ERC facilities and dedicate the revenue raised to the Metro E-R Commission (Councilor Collier). Councilor Hansen requested information be prepared regarding potential election dates and the cost of District elections.

At the March 1, 1990 Committee meeting General Counsel Cooper presented the staff report. He reiterated comments made at the earlier committee meeting and explained several amendments proposed by him to clarify and correct errors contained in the original draft. (See Cooper letter dated February 22, 1990 attached as Attachment 3). Additional staff information available to the Committee included 1) memo from Don Carlson and Ray Phelps dated February 26, 1990 titled "Impact of Proposed Excise Tax" (see Attachment 4) and 2) a memo from Don Carlson dated February 27, 1990 titled "Possible Election Dates and Costs of Excise Tax Election" (see Attachment 5).

At the March 1, 1990 meeting six citizens appeared in support of the proposed tax. For the most part they were supporters of the Metro Park and Natural Area planning program and requested imposition of the tax to raise revenue for the District's planning programs. The Committee received one letter from a supporter of the tax who could not appear at the hearing in person (see letter included as Attachment 6). One citizen reappeared in opposition of the tax and requested that the Council refer the ordinance to the voters of the District.

Also, appearing at the hearing was Mr. Merle Irvine, Wastech, who requested an amendment to exempt users of franchised material recovery and recycling centers from paying the tax. The operator of such center would have to pay the tax on residue waste from such centers which is disposed of in the District's system (see letter included as Attachment 7). Finally, Mitzi Scott and Dominic Buffetta from the Metro E-R Commission appeared to ask questions about the impact of the proposed tax on the Metro E-R Commission facilities.

The Committee deliberated on the proposed ordinance and adopted the following amendments:

- 1) all the proposed amendments suggested by General Counsel Cooper to clarify and correct errors;
- 2) the amendment (slightly revised) proposed by Merle Irvine exempting franchised material recovery and recycling centers; and

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March 5, 1990
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- 3) inclusion of 6 percent as the maximum rate of the excise tax to be imposed on the specified users of District services and facilities.

The Committee rejected Councilor Wyers proposed amendment to refer the ordinance to the voters of the District on a four to one vote. Councilor Wyers served notice of a possible Minority Report on Ordinance No. 90-333.

DEC:gpwb
a:\90-333.mem

attachments


METRO

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

Memorandum

DATE: October 31, 1989

TO: Council Finance Committee

FROM: Donald E. Carlson, *DEC* Council Administrator

RE: Implementation of Metro Excise Tax

The purpose of this memo is to discuss the implementation of the excise tax enabling legislation approved by the 1989 Legislative Assembly. Attached as Exhibit A is Chapter 332, Oregon laws 1989, which authorizes the District to enact such a tax. An analysis of Chapter 332 and its implementation is provided as follows:

A. Legislative Intent. Section 2 provides that:

"It is the intent of the Legislative Assembly that a substantial portion of the revenues derived by the....district from the imposition of excise taxes shall be used to reduce overhead charges assessed to and transferred from the operating funds of the district for its central executive, legislative and administrative functions."

It appears that this legislative intent should be met if the Council follows its adopted policy for the use of the revenue derived from imposition of an excise tax. Resolution No. 84-444 adopted by the Council on January 26, 1984 established a set of financial policies to be used as a guide for reaching financial stability for the District. The policies regarding the current General Fund functions are as follows:

- "1. General Government and mandated services shall have an external source of revenue to cover their direct costs and to pay their share of support services.
2. When specific funds are identified for general government and mandated services, interfund transfers shall no longer be used to support these activities.
3. The support services functions of the General Fund shall be totally financed from all Operating funds on the basis of actual use."

In the context of the current General Fund, "General Government and Mandated Services" were defined as those functions or activities that are required merely as a result of the District's legal existence. The statute requires that there be an Executive Officer, a Council made up of twelve members and that there be elections to select these elected officials. General Government and Mandated Services include the direct costs for the Executive Officer (Executive Management Department), the

Metro Council (Council Department) and candidate election costs (currently budgeted in the Finance and Administration Department). "Support Services" were defined as those functions which provide support to the Operating Departments of the District. Included as support services are the Office of General Counsel, Finance and Administrative Department and the Public Affairs Department. Other support service costs include the Building Management Fund and the Insurance Fund, both of which are managed centrally by the Finance and Administration Department.

A picture of the current funding system and proposed funding system (according to Resolution No. 84-444) is shown in Exhibit B attached. As indicated, currently the General Fund has no external source of revenue, but rather is funded from transfers from the other operating funds. Under the proposed system, only the Support Services would be funded from the interfund transfer system. The General Government activities of the District would be funded from proceeds of the new excise tax. Based on the current FY 1989-90 General Fund budget if the Council adopted policy were implemented (split the fund into a General Government Fund and a Support Services Fund), the amount of costs to be paid for through the interfund transfer system would be reduced from \$4,313,357 to approximately \$3,160,458. The reduction of \$1,152,899 consists of the following costs:

Executive Management Department	\$ 481,977
Council Department	450,922
Elections Cost	120,000
Contingency	<u>100,000</u>
	\$1,152,899

B. Use of Excise Tax Revenue. Section 3 provides that the revenue derived from an excise tax may be used as follows:

"(1) To carry out the executive, legislative and administrative powers, functions and duties of the district described in this chapter and to study the potential exercise of all powers and functions specified in ORS 268.312....."

It appears that the above language is broad enough to allow revenue from an excise tax to be used for any function that the District has authority to provide. The revenue could be used for the executive, legislative or administrative activities of the Zoo, Solid Waste, Planning or MERC functions of the District. In addition, revenue from an excise tax may be used to study the provisions of future functions of the District as defined in ORS 268.312. This is an important addition to the Metro statute, because ORS 268.312 authorizes the District to: a) provide water supply services; b) coordinate human services; c) provide park and open space services; d) provide jail facilities and justice system programs; and, f) provide library activities; all subject to the prior approval of the voters. The statute provides that "prior approval of the voters" can be any specific funding measure approved by the voters.

The current admission rates at the Zoo are \$3.00 for adults and \$1.50 for seniors/youths. The proposed five year financial plan assumes a rate increase on January 1, 1990, of \$.50 per adult and \$.25 per senior/youth and a similar increase on January 1, 1992.

Other potential sources of excise tax revenue at the Zoo are taxes on the sale of food, retail merchandise and railroad rides. Based on FY 1988-89 actual gross revenue for these items (see Exhibit D), the following annual revenue would be produced from a 5% excise tax:

<u>CATEGORY</u>	<u>GROSS REVENUE</u>	<u>TAX RATES</u>	<u>TAX YIELD</u>
Food Service	\$1,704,957	5%	\$ 85,248
Retail Merchandise	516,317	5%	25,816
Railroad Rides	<u>383,002</u>	5%	<u>19,150</u>
TOTAL	\$2,604,276		\$130,214

Excise Tax on Solid Waste Disposal Services. The Solid Waste Disposal system offers convenient places to collect an excise tax on solid waste disposal services. The tax could be levied in an amount per ton and incorporated into the total "tip fee" charged at various disposal facilities. Exhibit E provides information on annual waste flows to disposal facilities which handle solid waste for the District. The facilities which are located within the District are the St. Johns Landfill, the Metro South, East and West Transfer Stations, the Forest Grove Transfer Station, the Compost Facility, the East County Recycling Facility and the Oregon Processing and Recycling Center (OPRC). The facilities located outside the District are the Hillsboro and Grabhorn limited purpose landfills and the Hillsboro reload facility which is used to transport waste to the Riverbend Landfill in Yamhill County. The total amount of waste to be deposited at all facilities is estimated to increase from 1,110,643 tons in 1990 to 1,479,119 tons in 2010. There are questions about levying an excise tax at certain facilities. The questions are: 1) whether or not the District can levy the tax at facilities outside of the District since it does not "own", "operate" or "franchise" the facilities, and 2) whether or not such a tax should be assessed at the recycling facilities since a rate break is provided at those facilities as an inducement for use of the facility.

Exhibit F shows the potential yield of revenue resulting from a variety of potential excise tax rates on solid waste disposal. Two schedules are shown--yield from a tax on use of all facilities serving the region and the yield from a tax on use of selected facilities (in District facilities except OPRC and East County Recycling). The Schedules show that the yield is approximately 25% lower when the out-of-district and recycling facilities are eliminated.

Excise Tax on Convention Center Services. The use of the Convention Center by a variety of renters provides opportunities to levy an excise tax. A lack of actual operating history with the development of a

to fund the facility or program. This new provision makes it clear that work done by the District to prepare plans and strategies for the provision of the above functions may be undertaken without having to have prior approval of the District voters. There is another list of functions for which the revenue could be used to study. ORS 268.310 lists potential new functions, including sewerage disposal, drainage and public transportation. Two existing planning and development programs which might receive funds from an excise tax under the above authorization are the water policy work and the Regional Park and Natural Areas Planning Study. The Council might want to revise its Long Range Financial Policies to indicate that program planning and development work such as the water and parks study will be funded from excise tax revenue and that when a specific program for a new activity is developed it will be submitted to the voters for appropriate funding. With such a policy change, the excise tax would not only fund general government/mandated services, but also the program development aspect of potential new functions.

C. Imposition of the Tax. Section 3 defines who can be taxed as follows:

"...a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district."

The most logical application of such taxing authority is on those functions for which people pay directly for services provided by the District. Included in this category are functions such as the Zoo, Solid Waste Disposal and the Convention Center.

Excise Tax on Zoo Services. It appears that there are two relatively easy points at which to collect an excise tax on Zoo services--1) at the admission gate and 2) at the food or gift shop counters.

Based on FY 1988-89 attendance counts (see Exhibit C), there were 748,207 persons who paid to attend the Zoo including 455,222 adults, 298,845 seniors, 188,181 youths and 74,959 in the group category. Based on the past system of raising Zoo admission rates at increments of \$.50 (adult) and \$.25 (senior/youth), an excise tax on Zoo admissions would provide the following annual revenue:

<u>CATEGORY</u>	<u>PAID ATTENDANCE</u>	<u>TAX RATE</u>	<u>TAX YIELD</u>
Adult	455,222	\$.50/ticket	\$227,611
Senior	298,845	.25/ticket	74,711
Youth	188,181	.25/ticket	47,045
Group	<u>74,959</u>	.25/ticket	<u>18,740</u>
TOTAL	748,207		\$368,107

revenue flow makes it difficult to ascertain where to levy a tax or project the potential revenues. The Convention Center is currently being booked according to a variety of rate schedules developed by the MERC. Included are:

Schedule 1	Conventions
Schedule 2	Conventions with Exhibits and Trade Shows
Schedule 3	Non-Convention Meetings
Schedule 4	Consumer Trade Shows
Schedule 5	Commercial Entertainment
Unnumbered	Meeting Room Schedule
Unnumbered	Ballroom Schedule

Attached as Exhibit G are two of the above named schedules which show rental of space on a flat rate basis (conventions) or show rental of space on a percentage of ticket sales (consumer trade shows). Until there is more history on the actual use of the facility with more information on revenue generated from the various uses, it appears that further exploration of the use of this facility as a revenue source is premature.

D. Effective Date of Tax. Section 3 provides that:

"(2) An ordinance imposing or increasing an excise tax shall not be effective until the 90th day after the date of adoption by the district."

The purpose of the delayed effective date is to allow interested persons to refer such an ordinance to the voters of the district. Chapter 328 Oregon Laws 1989 changed the signature requirements for such referrals from 10% of the district votes cast for Governor at the last election to 4%. Based on the revised signature requirements, it would take approximately 16,000 valid signatures to refer such an ordinance (see Exhibit H). ORS 268.360(2) provides that an ordinance referred to the voters shall become inoperative until it has been approved by the voters. If such a petition were successful, the ordinance would be placed before district voters at the next State-wide primary or general election unless the Council calls a special election.

If such an excise tax ordinance were adopted in early 1990 and the matter was referred by the voters, the election would likely take place at the November general election. It is unlikely that the filing requirements could be met for having the election at the May primary.

E. Limitation on the Amount of the Tax. Section 4 provides a limitation on the amount of revenue that can be raised from the excise tax authority as follows:

"The total revenues from all excise taxes imposed by a district ...shall not exceed in any fiscal year six percent of the gross revenues collected or received by the district during the fiscal year."

As indicated in Exhibit I, the gross revenue received or collected by the District for FY 1988-89 was \$65,331,057. This amount does not include Fund Balances or Interfund Transfers. Applying the statutory 6% limitation, the District could have collected up to \$3,919,863 during FY 1988-89 from excise taxes. It should be pointed out that the major operating funds - Zoo, Solid Waste, Planning and MERC - along with the Convention Center Debt Fund will provide a base which will likely exceed \$50 million per year and will in fact grow as new facilities are brought on line. It is safe to project that the excise tax revenue limitation will not fall below \$3,000,000 per year. The limitation will be substantially higher for years in which bond proceeds for major capital projects are received.

F. Issues for Consideration. The following are several issues or questions which need to be resolved prior to the development of a specific excise tax ordinance. There may be others as the Committee begins to deliberate on this matter.

1. For what purpose shall the excise tax revenue be spent? Adopted Council policy suggests "General Government/Mandated Services" be funded from excise tax revenue. What should be included in the definition of "General Government/Mandated Services"--Council and Executive Management Departments, election costs, Boundary Commission and NARC dues? Should the costs of the General Counsel Department be included in the definition of "General Government"? Should planning activities such as the Parks' program and water policy analysis program be funded out of excise tax revenue?
2. How much revenue should be raised by an excise tax or taxes? The answer to this question depends to a great degree on the answers to the questions in No. 1 above. Council staff is currently preparing projections of potential costs for the General Government Fund from the period starting with FY 1988-89 actual costs to FY 1992-93 projected costs. This information should be completed in draft form in approximately two weeks. Two scenarios are being explored, one with a General Government Fund which includes the Council and Executive Management Departments and another which adds the Office of General Counsel.
3. Are there any limitations on persons or facilities which can be taxed? As indicated above, in some instances solid waste generated within the District is delivered to facilities located outside of the District. Can the tax be levied on persons who use facilities located outside of the District? If so, how would the tax be collected?
4. Who should pay the tax? The statute authorizes a tax on persons using District facilities or functions. Should

the tax be levied on persons using only the Zoo, solid waste facilities or the Convention Center, or on any combination of these alternatives? What are the criteria that are important in making this decision; i.e., ability to pay, yield of tax per effort to levy, equity considerations, etc?

5. How specific must the ordinance be in imposing the tax or taxes? Must the ordinance imposing the tax specify the function or service to be taxed and the rate of the tax to be paid or, as an alternate, may the ordinance generally identify the services or functions to be taxed with the amount of the tax determined at a later date through the Budget ordinance? If the latter alternate is possible, would the Budget ordinance be subject to a referendum?
6. When should the tax be implemented? In the memo above it is anticipated that the tax would be implemented to receive revenues for FY 1990-91 (starting 7/1/90). Other considerations include the timing of fee setting for specific functions. For instance, the Zoo admission fee increases have traditionally occurred at the start of a calendar year during low attendance periods. It might be appropriate to implement a Zoo admission tax at the same time. The solid waste rates are projected to be set at or near the beginning of the fiscal year (July 1) and again it makes sense to coordinate any tax on users of the solid waste systems with the annual rate setting process. This would avoid multiple changes in local franchises since each time Metro adjusts disposal rates local haulers usually request local government franchise changes to pass the costs on to local customers.

DEC:aeb

cc: Metro Council
Rena Cusma
Ray Phelps

A:\EXCISETX.MEM

CHAPTER 332

AN ACT

SB 213

Relating to metropolitan service districts.
Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 4 of this Act are added to and made a part of ORS chapter 268.

SECTION 2. It is the intent of the Legislative Assembly that a substantial portion of the revenues derived by the metropolitan service district from the imposition of excise taxes shall be used to reduce overhead charges assessed to and transferred from the operating funds of the district for its central executive, legislative and administrative functions.

SECTION 3. (1) To carry out the executive, legislative and administrative powers, functions and

duties of the district described in this chapter and to study the potential exercise of all the powers and functions specified in ORS 268.312, a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district.

(2) An ordinance imposing or increasing an excise tax shall not become effective until the 90th day after the date of adoption by the district.

SECTION 4. The total revenues from all excise taxes imposed by a district under section 3 of this 1989 Act shall not exceed in any fiscal year six percent of the gross revenues collected or received by the district during the fiscal year.

Approved by the Governor June 13, 1989

Filed in the office of Secretary of State June 13, 1989

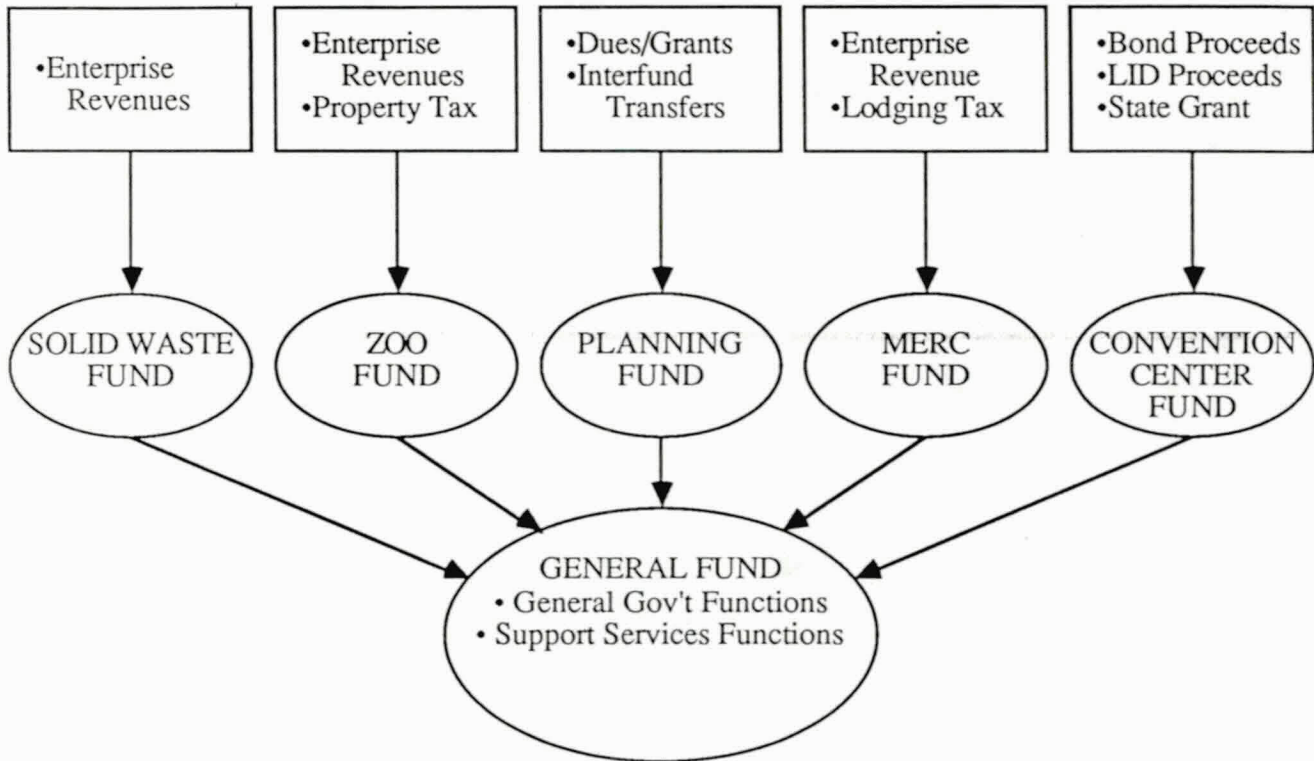
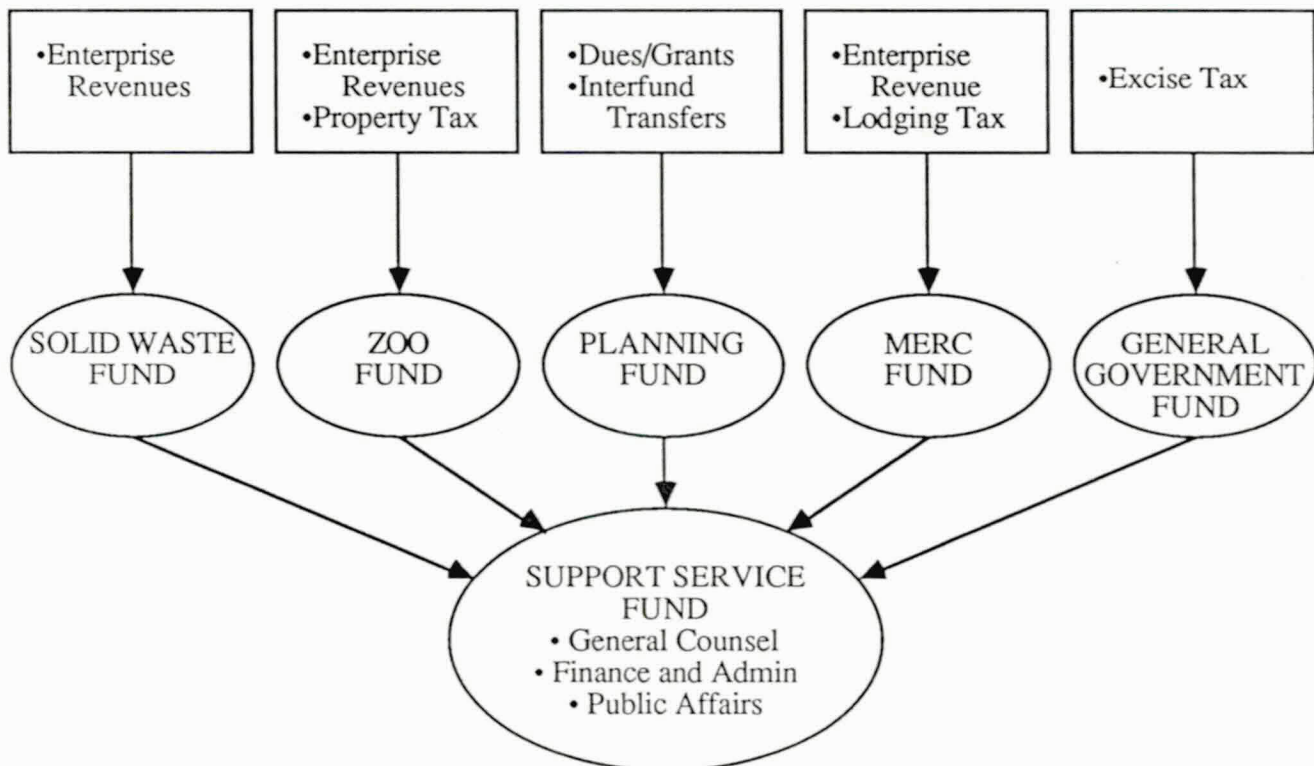
CURRENT FUNDING SYSTEMPROPOSED FUNDING SYSTEM

EXHIBIT C

WASHINGTON PARK ZOO - METRO
ATTENDANCE AND VISITOR SERVICES REVENUE FOR THE MONTH OF JUN89

DATE	DAY	CONDITIONS	TEMP	ATTENDANCE					FOZ	FREE	TOTAL
				PAID	ADULT	SENIOR	YOUTH	GROUP			
06/01/89	THU	SUNNY	85	5279	1817	148	407	2907	361	116	5756
06/02/89	FRI	SUNNY	82	5485	1333	112	500	3540	346	255	6086
06/03/89	SAT	SUNNY	89	5024	3414	155	1384	71	684	441	6149
06/04/89	SUN	SUNNY	89	4356	3111	152	1093	0	736	241	5333
06/05/89	MON	SUNNY	89	2334	927	101	294	1012	256	70	2660
06/06/89	TUE	SUNNY	71	4115	827	133	371	2784	255	2552	6922
06/07/89	WED	SUNNY	76	3361	1269	163	491	1438	318	107	3786
06/08/89	THU	OVERCAST	71	4267	1069	173	505	2520	303	109	4679
06/09/89	FRI	OVERCAST	74	5269	2061	213	597	2398	346	161	5776
06/10/89	SAT	SUNNY	81	5150	3574	205	1371	0	657	509	6316
06/11/89	SUN	OVERCAST	66	4840	3493	189	1158	0	754	201	5795
06/12/89	MON	OVERCAST	66	3330	1444	158	511	1217	418	75	3823
06/13/89	TUE	OVERCAST	75	3505	1073	173	572	1687	338	3060	6903
06/14/89	WED	RAIN, JAZZ	63	2220	833	87	395	905	249	98	2567
06/15/89	THU	OVERCAST, BLUE	65	3004	1504	139	606	755	456	86	3546
06/16/89	FRI	OVERCAST	67	4274	2220	259	1204	591	602	232	5108
06/17/89	SAT	OVERCAST	69	4645	3164	182	1299	0	703	300	5648
06/18/89	SUN	OVERCAST	72	4444	3166	210	1068	0	853	210	5507
06/19/89	MON	MIXED	63	2254	1270	83	570	331	200	57	2511
06/20/89	TUE	OVERCAST	72	2162	1292	153	649	68	364	4213	6739
06/21/89	WED	SUNNY, JAZZ	77	5609	3864	303	1240	202	899	286	6794
06/22/89	THU	SUNNY, BLUE	84	4910	3119	306	1273	212	966	240	6116
06/23/89	FRI	SUNNY	84	3725	2233	192	1228	72	493	210	4428
06/24/89	SAT	SUNNY	96	5071	3379	227	1453	12	767	425	6263
06/25/89	SUN	SUNNY	89	4287	3123	164	1000	0	632	173	5092
06/26/89	MON	OVERCAST	71	2955	1783	189	945	38	589	183	3727
06/27/89	TUE	OVERCAST	68	2634	1497	201	927	9	392	6363	9389
06/28/89	WED	OVERCAST, JAZZ	67	3761	2427	250	1029	55	695	213	4669
06/29/89	THU	RAIN, BLUE	61	1071	684	136	251	0	282	36	1389
06/30/89	FRI	RAIN	65	7378	3058	259	3603	458	614	141	8133
06/30/89	FOZ		0	0	0	0	0	0	0	0	0
Month-end This Year				120719	64028	5415	27994	23282	15528	21363	157610
Month-end Last Year				98876	57356	3874	21293	16353	9475	13299	121650
Year-to-date This Year				748207	455222	29845	188181	74959	111258	143948	1003413
Year-to-date Last Year				692140	428476	28265	171817	63582	73036	127045	892221

OCTOBER 05, 1989

REPORT 460-300

METROPOLITAN SERVICE DISTRICT

PAGE 1

FUND ACCOUNTING INFORMATION SYSTEM

ZOO REVENUE LINE-ITEM SUMMARY - JUNE 30, 1989

OBJECT	TITLE	FUND	120 ZOO OPERATING FUND	PRIOR YEAR REVENUE	CURR Y-T-D BUDGET	CURR M-T-D REVENUE	CURR Y-T-D REVENUE	NET REMAINING	% REMAINING
DIVISION 221XXX METRO WASHINGTON PARK ZOO									
30500X	FUND BALANCE - RESOURCE			1,846,819.00	1,906,995.00	0.00	0.00	1,906,995.00	100.00
31111X	REAL PROPERTY TAXES - CURRENT YEAR			5,091,353.00	5,005,000.00	312,388.42	5,023,328.83	18,328.83	0.37
31112X	REAL PROPERTY TAXES - PRIOR YEARS			361,100.00	500,000.00	38,203.53	378,776.78	121,223.22	24.24
31810X	IN LIEU OF PROPERTY TAXES			0.00	0.00	10,142.53	19,078.44	19,078.44	<<<<<<
31911X	INT & PEN - DELINQ REAL PROPERTY TA			103,526.00	0.00	65,596.66	79,079.50	79,079.50	<<<<<<
33111X	FEDERAL GRANTS - OPER/CATAGORICAL/D			77,020.00	0.00	0.00	0.00	0.00	0.00
33121X	FED GRANTS - OPER/NONCATAGORICAL/DI			0.00	25,000.00	0.00	1,855.97	23,144.03	92.58
34710X	ADMISSION FEES			1,515,004.00	1,716,467.00	322,619.10	1,816,946.59	100,479.59	5.85
34721X	RENTAL FEES - CONVEYANCES			19,874.00	18,590.00	6,289.21	30,036.60	11,446.60	61.57
34722X	RENTAL FEES - BUILDINGS			160.00	0.00	48.01	610.00	610.00	<<<<<<
34731X	FOOD SERVICE REVENUE - REGULAR			1,318,375.00	1,330,570.00	268,093.66	1,704,956.76	374,386.76	28.14
34740X	RETAIL SALES			423,624.00	397,802.00	74,610.92	516,316.87	118,514.87	29.79
34741X	RETAIL SALES - VENDING			40.00	0.00	0.00	21.70	21.70	<<<<<<
34790X	MISCELLANEOUS OTHER REVENUE			9,196.00	10,000.00	700.00	1,900.00	8,100.00	81.00
34791X	MISC REVENUE - TUITION AND LECTURES			47,917.00	67,500.00	14,326.75	114,406.75	46,906.75	69.49
34792X	MISC REVENUE - EXHIBIT SHOWS/ZOO			11,705.00	12,000.00	700.00	12,800.00	800.00	6.67
34793X	MISC REVENUE - RAILROAD RIDES			346,591.00	357,200.00	72,808.43	383,002.13	25,802.13	7.22
36110X	INTEREST ON INVESTMENTS			128,681.00	77,852.00	74,545.95	165,001.87	87,149.87	111.94
36510X	DONATIONS & BEQUESTS - GENERAL			90,893.00	90,000.00	5,509.53	157,953.52	67,953.52	75.50
36520X	ZOO PARENTS			34,279.00	33,800.00	6,610.96	33,165.82	634.18	1.88
37120X	CASH SHORTAGES			0.00	0.00	42.54	2,048.11	2,048.11	<<<<<<
37310X	CHARGE CARD DISCOUNTS			0.00	0.00	791.63	1,767.25	1,767.25	<<<<<<
37330X	CASH DISCOUNTS EARNED			0.00	0.00	0.00	1,032.30	1,032.30	<<<<<<
37900X	OTHER MISCELLANEOUS REVENUES			41,839.00	42,000.00	348.24	11,282.62	30,717.38	73.14
38110X	SALE OF GENERAL FIXED ASSETS			4,576.00	4,000.00	0.00	0.00	4,000.00	100.00
TOTAL: DIVISION 221XXX				11,472,572.00	11,594,776.00	1,272,011.25	10,447,737.69	1,147,038.31	9.89
TOTAL: FUND 120				11,472,572.00	11,594,776.00	1,272,011.25	10,447,737.69	1,147,038.31	9.89

ESTIMATED WASTE FLOWS DELIVERED TO TRI-COUNTY FACILITIES: WITH INCREASES IN RECYCLING

YEAR	ST JOHNS LANDFILL	METRO SOUTH	HILLSBORO LANDFILL *	GRABHORN (LAKESIDE) * LANDFILL	FOREST GROVE	HILLSBORO RELOAD * FACILITY	**COUNTY RECYCLING	** OPRC	COMPOST FACILITY	METRO EAST	METRO WEST	GRAND TOTAL
1990	422,175	342,888	126,160	63,928	55,727	14,401	12,010	73,354	0	0	0	1,110,643
1991	33,913	235,608	128,550	67,005	54,661	14,136	11,780	94,243	135,121	331,263	0	1,104,282
1992	0	228,378	121,405	66,700	52,984	13,703	11,419	91,351	169,000	345,688	0	1,100,626
1993	0	224,730	121,939	66,993	52,137	13,484	11,236	89,892	166,300	241,149	123,384	1,111,244
1994	0	221,115	122,461	67,280	51,299	13,287	11,056	88,446	163,625	252,228	123,564	1,114,340
1995	0	217,466	0	67,539	50,452	13,048	10,873	86,986	160,925	258,706	249,464	1,115,460
1996	0	214,696	0	68,059	49,809	12,882	10,735	85,878	158,875	270,622	250,869	1,122,428
1997	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	283,664	325,107	1,139,550
1998	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	299,045	331,711	1,161,535
1999	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	314,917	338,279	1,183,978
2000	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	331,118	345,260	1,207,157
2001	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	347,655	353,481	1,231,915
2002	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	364,534	361,872	1,257,185
2003	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	381,717	370,483	1,282,979
2004	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	399,300	379,227	1,309,308
2005	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	417,247	388,153	1,336,179
2006	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	435,567	397,262	1,363,608
2007	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	453,718	407,107	1,391,604
2008	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	472,792	416,609	1,420,180
2009	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	492,262	426,307	1,449,348
2010	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	512,133	438,207	1,479,119

*Facility located outside of District boundary.

** Recycling facility at which rate break has been given to induce flow of recyclables to facility.

EXHIBIT F

PROJECTED ANNUAL YIELD OF SOLID WASTE EXCISE TAX REVENUE

ALL FACILITIES

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
PROJECTED TONS	1,110,643	1,104,282	1,100,626	1,111,244	1,114,340
TAX YIELD @					
1.00/Ton	\$1,110,643	\$1,104,282	\$1,100,626	\$1,111,244	\$1,144,340
1.50/Ton	\$1,665,965	\$1,656,423	\$1,650,939	\$1,666,866	\$1,671,510
2.00/Ton	\$2,221,286	\$2,208,564	\$2,201,252	\$2,222,488	\$2,228,680
2.50/Ton	\$2,776,608	\$2,760,705	\$2,751,565	\$2,778,110	\$2,785,850
3.00/Ton	\$3,331,929	\$3,312,846	\$3,301,878	\$3,333,732	\$3,343,020
3.50/Ton	\$3,887,251	\$3,864,987	\$3,852,191	\$3,889,354	\$3,900,190
4.00/Ton	\$4,442,572	\$4,417,128	\$4,402,504	\$4,444,976	\$4,457,360

SELECTED FACILITIES*

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
PROJECTED TONS	842,933	817,191	821,849	833,094	836,816
TAX YIELD @					
1.00/Ton	\$ 842,933	\$ 817,191	\$ 821,849	\$ 833,094	\$ 836,816
1.50/Ton	\$1,264,400	\$1,225,787	\$1,232,774	\$1,249,641	\$1,255,224
2.00/Ton	\$1,685,866	\$1,634,382	\$1,643,698	\$1,666,188	\$1,673,632
2.50/Ton	\$2,107,333	\$2,042,978	\$2,054,623	\$2,082,735	\$2,092,040
3.00/Ton	\$2,528,799	\$2,451,573	\$2,465,547	\$2,499,282	\$2,510,448
3.50/Ton	\$2,950,266	\$2,860,169	\$2,876,472	\$2,915,829	\$2,928,856
4.00/Ton	\$3,371,732	\$3,268,764	\$3,287,396	\$3,332,376	\$3,447,264

* Excludes out-of-district facilities and 78% of waste deposited at OPRC and 50% of waste deposited at East County Recycling (approximately 22% of OPRC waste and 70% of East County Recycling waste is deposited at disposal facilities).

OREGON CONVENTION CENTER

1111 S.W. BROADWAY - PORTLAND, OREGON 97205

(503) 274-6555

RATE SCHEDULE 1
CONVENTIONS

Effective 1/1/88 through 12/31/91

EXHIBIT HALL	SQUARE FEET	MINIMUM DAILY RENTAL	MOVE-IN / MOVE-OUT
A-1, A-2, B	30,000 per hall	\$1,200 per hall	\$600 each per day
A-1, A-2 or A-2, B or C	60,000	\$2,400	\$1,200
A-1, A-2 and B or B & C	90,000	\$3,600	\$1,800
A-2, B & C	120,000	\$4,800	\$2,400
Total Exhibit Space	150,000	6,000	3,000
BALLROOM			
Section 1	6,300	\$650	
Section 2	6,300	\$650	
Section 3	6,300	\$650	
Section 4	6,300	\$650	
Entire Ballroom	25,200	\$2,600	

SERVICES AND FACILITIES INCLUDED IN RENTAL:

- Registration space (pre-function area) shall be provided to the Lessee at no additional charge based upon availability
- Show Office shall be provided to Lessee at no additional charge based upon availability
- Exhibit hall public address system is provided with a microphone. Additional equipment or personnel shall be charged to the Lessee at the prevailing rate.
- House lighting, ventilation, heat or air conditioning is provided during show hours. In recognition of the need to conserve energy, a minimum level of comfort will be maintained during move-in/move-out.

MEETING ROOMS:

Meeting room space shall be provided at no charge under the following conditions:

- Meeting room shall be assigned by the OCC.
- The amount of meeting space provided at no charge shall be directly proportional to the amount of exhibit space used in the facility. Additional meeting space shall be charged at the daily rate.
- Meeting rooms used as an exhibit area shall be charged at the daily rate.
- Rooms shall be arranged in theatre, classroom, conference, banquet or reception style once per day. Equipment provided within the limits of the OCC inventory. Costs for changes, additional equipment or personnel shall be charged to the Lessee at the prevailing costs.
- Meeting rooms shall be used for purposes directly related to conventions or trade shows
- Meeting rooms shall not be assigned nor sublet to others.

EVENT REQUIREMENTS AND STAFFING:

The OCC shall provide all event-related staff at the Lessee's expense. All event requirements must be approved by the OCC management at least fourteen (14) days prior to the beginning of the term of Lease.

OREGON CONVENTION CENTER
1111 S. W. BROADWAY - PORTLAND, OREGON 97205
(503) 274-6555

RATE SCHEDULE IV
CONSUMER TRADE SHOWS

Effective 1/1/88 through 12/31/91

EXHIBIT HALLS	SQUARE FOOTAGE	MINIMUM DAILY RENT
A-1, A-2, B	30,000 per hall	\$1,500 vs. 15% Gross Ticket Sales
A-1, A-2 or A-2, B or C	60,000	\$3,000 vs. 15% Gross Ticket Sales
A-1, A-2, B or B & C	90,000	\$4,500 vs. 15% Gross Ticket Sales
A2, B & C	120,000	\$6,000 vs. 15% Gross Ticket Sales
TOTAL EXHIBIT SPACE	150,000	\$7,500 vs. 15% Gross Ticket Sales

RENTAL RATE

The stated rental rates are based on a minimum charge for each hall or 15% of gross box office receipts, whichever is greater per day.

NET SQUARE FOOTAGE

Net square feet is defined as total display area less aisle space and food service areas. Aisle space shall not exceed ten (10) feet in width without approval of the General Manager. The OCC shall have the option to exclude complimentary space not to exceed five (5) percent of area used in determining net square footage.

When the OCC food and Beverage Department is permitted by the convention or trade show to provide an area for food service within the gross exhibit floor area, the space so used will not be computed as part of the square footage occupied by Lessee.

INGRESS - EGRESS

Ingress-Egress time is computed on a one-for-one basis with show days, with a maximum of two (2) total complimentary days. After two (2) days, rate is one-half daily rental fee.

SERVICES AND FACILITIES INCLUDED IN RENTAL:

- Registration space (Pre-function Area) shall be provided to the Lessee at no additional charge based upon availability.
- Show Office shall be provided to the Lessee at no additional charge based upon availability.
- Exhibit hall public address system is provided with a microphone. Additional equipment or personnel shall be charged to the Lessee at the prevailing rate.
- House lighting, ventilation, heat or air conditioning is provided during show hours. In recognition of the need to conserve energy, a minimum level of comfort will be maintained during move in/move out.

EVENT REQUIREMENTS AND STAFFING:

The OCC shall provide all event related staff at the Lessee's expense. All event requirements must be approved by the OCC management at least fourteen (14) days prior to the beginning of the term of Lease.



METRO

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

EXHIBIT H

May 30, 1989

Ms. Cory Streisinger
Legal Counsel
Office of the Governor
State Capitol
Salem, OR 97310

Re: Enrolled Senate Bill 260 (Initiative and
Referendum)

Dear Ms. Streisinger:

Senate Bill 260 reduces the percentages of signatures necessary for Metropolitan Service District initiatives or referenda to 6 percent and 4 percent respectively. The bill also makes similar reductions for Tri-Met and the Port of Portland.

The Task Force on Metropolitan Government realized that, due to the size of the Metropolitan Service District, the current percentages of 15 for an initiative and 10 for a referendum correspond in numbers to nearly the same requirements for a statewide initiative or referendum.

By reducing those percentages to 6 and 4 respectively, the requirements will be the same as those imposed on county governments. If Metro is granted the authority to levy user charges on its facilities (SB 213), these lower signature requirements make it more realistic for citizens to refer any such user charge. The current signature requirement for a referendum petition is approximately 40,000. Under Senate Bill 260, this requirement would drop to about 16,000.

The bill passed the Senate February 3 by a vote of 29-0. The measure was approved by the House by a vote of 58 to 1.

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Sharron Kelley
Deputy Presiding
Officer
District 7

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Judy Wyers
District 8

Tanya Collier
District 9

Roger Buchanan
District 10

David Knowles
District 11

Gary Hansen
District 12

Cory Streisinger
May 30, 1989
Page Two

Should you or the Governor have any questions or concerns regarding the bill, please contact me at 363-3474 or 378-9800.

Thank you.

Sincerely,

Greg McMurdo
Government Relations Manager

cc: Senator Glenn Otto
Metro Legislative Task Force

EXHIBIT I

CURRENT REVENUE* BY FUND

(FY 1988-89)

General Fund	\$ 202,253
Building Fund	182,945
Insurance Fund	105,657
Zoo Operations Fund	10,447,738
Zoo Capital Fund	889,050
Solid Waste Operating Fund	25,945,161
Solid Waste Capital Fund	140,987
St. John's Reserve Fund	363,702
St. John's Rehab. & Enhanc. Fund	111,906
Planning Fund	1,889,999
CC Management Fund	78,172
CC Capital Fund	16,308,123
CC Debt fund	5,921,863
MERC Fund	<u>2,743,501</u>
	\$65,331,057

* Excludes Fund Balance which is carried over from prior years and Interfund Transfers.

**METRO**

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

Memorandum

DATE: February 2, 1990

TO: Finance Committee

FROM: Donald E. Carlson, ^{DE} Council Administrator
Ray Phelps, Director of Finance and Administration ^{RP}

RE: Actual and Projected Revenue and Expenditures for
Proposed General Government and Support Service
Funds - FY 1988-89 to FY 1992-93

The purpose of this memo is to provide actual and projected revenue and expenditures for the proposed General Government and Support Services Funds. This information is in support of the current discussion on the purpose and amount of a potential excise tax or taxes.

MAJOR ASSUMPTIONS

The major assumptions used in making these projections are as follows:

- A. An inflation factor of 8% for FY 1990-91 and 5% for FY 1991-92 and FY 1992-93 was applied to Personal Services Costs.
- B. An inflation factor of 4% was applied to selected Material and Services and Capital Outlay costs for each of three projected fiscal years (1990-91 to 1992-93). No inflation factor was applied to certain accounts in these categories if it appeared that the expenditure was of a non-recurring nature.
- C. Certain costs were transferred from the Finance and Administration Department for the projected fiscal years to either the Council or Executive Management budgets. Examples are election costs, Boundary Commission and NARC dues.
- D. Additional positions (FTE) were built into the expenditure plans for both the General Government Fund and Support Service Funds. The increases are included for planning purposes and are not intended to imply a commitment on the part of the Executive Officer or Council. Requests for new positions must still be sought and justified through the regular budget process.
- E. The projected transfer from the Convention Center Funds

(Project Management and Capital) to the Support Services Fund has been reduced for the projected FY 1990-91 and eliminated for projected FYs 1991-92 and 1992-93 in recognition that the project is to be completed in early FY 1990-91.

PROPOSED GENERAL GOVERNMENT FUND EXPENDITURE AND REVENUE PROJECTIONS

Table 1 provides the actual and projected expenditures for the proposed General Government Fund. Included in this fund are the Council Department and the Executive Management Department.

Highlights of the various expenditure categories are as follows:

- o Council Department - As indicated in Exhibit A, Council Department expenditures are projected to increase from a budgeted \$473,962 in FY 1989-90 to \$603,040 in FY 1990-91. In addition to inflationary increases, the primary added expenditures include the addition of one analyst position; Council election costs (\$50,000); and an increase in funds for the performance audit program (\$10,000).
- o Executive Management Department - The total costs in the Executive Management Department are projected to decrease in FY 1990-91 from the current budgeted amount. The primary reason for the decrease is the reduction of the two water policy positions (1.85 FTE) which were budgeted during the current fiscal year on a one year basis. Projected expenditures for NARC and Boundary Commission dues are included annually in this budget (\$16,000). It should be noted that the total projected Department expenditure decreases again in FY 1991-92 because of the elimination of potential election expense (\$50,000).
- o Transfers - The total transfers to other funds from the proposed General Government Fund are projected to increase substantially over the estimated current budget level. The biggest projected increases are in the transfer to the proposed Support Service Fund for central support services and the proposed transfer to the Planning Fund for discretionary planning activities. The projected transfer to the Support Services Fund in FY 1990-91 is based on a rate of approximately 50% of the salary costs of the proposed General Government Fund. The projected increases in years thereafter are based on the same ratio of the General Government Fund costs to the other operating funds.

The transfer to the Insurance Fund is based on one-half of

the current General Fund transfer to the Insurance Fund (the other one-half is budgeted in the proposed Support Services Fund). The transfer to the Building Fund is based on the square footage of office space assigned to the Council and Executive Management Departments (includes the Council Chamber) and the projected costs of the Building Fund.

The projected transfer of \$500,000 to the Planning Fund is a rough estimate of an amount to fund all or part of the existing Planning and Development Department activities such as the Regional Park and Natural Area program, the Water Policy program and the Urban Growth Management program. This amount could increase depending on the level of projected needs in the Planning Fund and whether or not the Council opts to reduce the level of the Local Government dues assessment and replace the lost Planning revenue with excise tax revenue.

- o Contingency and Unappropriated Balance - The projected Contingency for the proposed General Government Fund is \$100,000. This amounts to approximately 5% of fund operating costs (Council, Executive Management and Transfers). The Unappropriated Balance varies from \$171,282 in FY 1990-91 to \$18,011 in FY 1992-93. The Unappropriated Balance is higher in the beginning and lower at the end because the excise tax revenue projections (see Table 2) are flat over the three year period.

Table 2 provides the actual and projected revenue for the proposed General Government Fund. It shows the transition from funding this activity area by transfers from the District's operating funds to utilization of the excise tax proceeds as the principal funding source. The Fund Balance projections are based on the total of the prior year Contingency and Unappropriated Balance categories (see Table 1). Interest income is projected at a lower level than is currently experienced in the General Fund since excise tax revenues are likely to be received on a monthly basis, thus the proposed General Government Fund will not experience significant positive cash balances each month.

The projected level of excise tax revenue (\$2,000,000) is based on the expenditure plan shown in Table 1. As indicated earlier, the amount of the tax needed could increase based on the level of projected expenditures not only in the General Government Fund, but in the Planning Fund. Later in this memo is a discussion on the potential sources of excise tax revenue at four different levels of need--\$2,000,000, \$2,500,000, \$2,750,000 and \$3,000,000.

PROPOSED SUPPORT SERVICE FUND EXPENDITURE AND REVENUE PROJECTIONS

Table 3 provides the actual and projected expenditures for the proposed Support Service Fund. As indicated, the departments included in this fund are General Counsel, Finance and Administration, and Public Affairs. The projections include an increase of 8.5 FTE in the total funds as well as a related increase in Materials and Services and Capital Outlay categories. The detail of these projected increase are shown in Attachment 1 to this report. The projections also reflect the transfer of election costs and Boundary Commission dues to the Executive Management Department in the General Government Fund.

Table 4 provides the actual and projected revenues for the proposed Support Services Fund. As indicated in the table, the Support Services Fund is projected to be funded entirely out of transfers from the operating funds of the District based upon an annual cost allocation plan. No Fund Balance or Interest Earnings are projected, because it is assumed that transfers will be made on a monthly basis as expenditures are incurred.

The projected transfers are based on the current cost allocation plan with the following exceptions: 1) the amount of the General Government Fund transfer for FY 1990-91 is estimated at 50% of the salary costs of the General Government Fund; and 2) the amount of the MERC transfer was adjusted upward to reflect added operations responsibilities of the MERC, and the Convention Center Project office transfers are adjusted downward to reflect approximately six months of activity during the next fiscal year. The relative proportions of the transfers are as follows:

<u>FUND</u>	<u>PERCENT</u>	
	<u>1990-91</u>	<u>1991-93</u>
Zoo Operating	.17185	.19241
Planning	.17942	.19712
SW Operating	.40057	.42184
MERC	.07500	.09015
Convention Center	.07468	0
General Government	<u>.09848</u>	<u>.09848</u>
TOTAL	1.00000	1.00000

CURRENT GENERAL FUND EXPENDITURE AND REVENUE PROJECTIONS

In order to provide a comparison between the proposed funding system and the current funding system, financial information on current General Fund is included in this memo. Table 5 provides

the actual and projected expenditures for the current General Fund. As indicated, the General Fund includes the Council, Executive Management, General Counsel, Finance and Administration, and Public Affairs Departments. The actual and projected expenditures are based on the combination of information in Tables 1 (General Government Fund Expenditures) and Table 2 (Support Services Fund Expenditures). The only exception is that the two water policy positions budgeted in the Executive Management Department during the current fiscal year plus an appropriate amount for related materials and services are continued in that department for FY 1990-91 through FY 1992-93. The amounts projected for the water policy work are \$104,881 for FY 1990-91, \$109,624 for FY 1991-92 and \$115,606 for FY 1992-93.

Table 6 provides the actual and projected revenues for the current General Fund. As indicated, the principal source of revenue are transfers from the District's operating funds. For the projected years (FY 1990-91 through FY 1992-93), these include the Zoo Operating, Planning, Solid Waste Operating and MERC funds. The assumption for the projected transfer amounts are based on the current cost allocation plan except that the MERC has been adjusted upward to reflect increasing operational responsibilities. The same percentage factor was used for the MERC transfer as was used for the proposed Support Service Fund (Table 4). The relative proportions of the transfers are as follows:

FUND	PERCENT	
	1990-91	1991-93
Zoo Operating	.19435	.20796
Planning	.20291	.20796
SW Operating	.45305	.48477
MERC	.07500	.09015
Convention Center	.07469	0
TOTAL	1.00000	1.00000

COMPARISON OF TRANSFERS TO GENERAL FUND AND SUPPORT SERVICES FUND

Table 7 provides a comparison of projected transfer costs to the operating funds between the current system and the proposed system. As is expected, the transfer costs to the operating funds are lower under the proposed system because of two reasons: 1) the allocable costs are smaller because the direct costs of the proposed General Government Fund are funded by the excise tax; and 2) there is an additional operating fund (the General Government Fund) paying its proportionate share of the Support Service Fund costs.

POTENTIAL EXCISE TAX SOURCES

Table 8 provides a preliminary analysis of potential sources of excise tax revenue. Based on earlier discussions with the Finance Committee, the potential sources cover all functions of the District. The table shows the percentage tax rate required to raise \$2,000,000 (4.30%); \$2,500,000 (5.37%); \$2,750,000 (5.91%); and \$3,000,000 (6.45%). The potential revenue sources do not include users to the City of Portland Exposition and Recreation facilities (Coliseum, Civic Stadium and Performing Arts Center) and payments from other governmental agencies, unless the governmental agencies use the solid waste system, the services of the Convention Center or the services of the Zoo. The FY 1989-90 adopted budget is used for revenue estimates in most instances. The tip fee revenue for solid waste is based on next year's tonnage forecasts, but has not been adjusted for potential rate changes now under consideration.

DEC:aeb
Attach.
cc: Rena Cusma, Executive Officer

A:\FIN0130.MEM

TABLE 1

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
COUNCIL					
Personal Services	\$270,068	\$319,762	\$383,334	\$402,506	\$422,627
(FTE)	(6.66)	(7.30)	(8.30)	(8.30)	(8.30)
Material & Svcs.	\$76,713	\$149,500	\$215,206	\$222,312	\$237,082
Capital Outlay	\$4,829	\$4,700	\$4,500	\$4,000	\$4,000
Subtotal	\$351,610	\$473,962	\$603,040	\$628,818	\$663,709
EXECUTIVE MANAGEMENT					
Personal Services	\$310,650	\$463,529	\$399,698	\$415,158	\$431,392
(FTE)	(6.60)	(8.85)	(7.00)	(7.00)	(7.00)
Material & Svcs.	\$64,429	\$66,305	\$97,300	\$49,800	\$53,000
Capital Outlay	\$4,823	\$8,574	\$4,000	\$4,000	\$4,000
Subtotal	\$379,902	\$538,408	\$500,998	\$468,958	\$488,392
TRANSFERS					
Support Svc. Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
Insurance Fund	\$6,290	\$16,867	\$17,000	\$17,500	\$18,000
Building Fund	\$63,719	\$74,721	\$88,860	\$99,294	\$102,028
Planning Fund	\$50,709	\$37,612	\$500,000	\$500,000	\$475,000
Subtotal	\$120,718	\$129,200	\$950,153	\$973,966	\$967,428
CONTINGENCY	\$0	\$50,000	\$100,000	\$100,000	\$100,000
UNAPPROP. BALANCE	\$182,118	\$93,077	\$171,282	\$114,540	\$18,011
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,237,540
(FTE)	(13.26)	(16.15)	(15.3)	(15.3)	(15.3)

TABLE 2

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$99,738	\$180,143	\$310,473 *	\$271,282	\$214,540
Interest	\$50,874	\$34,038	\$15,000	\$15,000	\$15,000
Trans Zoo Oper Fund	\$204,843	\$193,355	\$0	\$0	\$0
Trans Planning Fund	\$137,822	\$229,467	\$0	\$0	\$0
Trans SW Oper Fund	\$321,997	\$443,400	\$0	\$0	\$0
Trans MERC Fund	\$38,477	\$30,370	\$0	\$0	\$0
Trans Conv Ctr Fund	\$176,190	\$153,874	\$0	\$0	\$0
Excise Tax	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
All Other	\$4,407	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,229,540

* Entire projected fund balance for prior General Fund.

TABLE 3

 ACTUAL AND PROJECTED SUPPORT SERVICES FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED

GENERAL COUNSEL					
Personal Services	\$199,764	\$253,022	\$341,160	\$357,533	\$374,695
(FTE)	(4.40)	(4.25)	(6.25)	(6.25)	(6.25)
Material & Svcs.	\$9,046	\$23,039	\$20,300	\$21,650	\$22,950
Capital Outlay	\$6,237	\$2,412	\$11,500	\$2,000	\$2,000
	-----	-----	-----	-----	-----
Subtotal	\$215,047	\$278,473	\$372,960	\$381,183	\$399,645
FINANCE & ADMIN.					
Personal Services	\$1,064,473	\$1,279,954	\$1,504,230	\$1,580,598	\$1,660,655
(FTE)	(27.63)	(29.50)	(35.00)	(35.00)	(35.00)
Material & Svcs.	\$751,248	\$806,856	\$756,204	\$778,908	\$800,800
Capital Outlay	\$25,799	\$62,575	\$53,500	\$30,000	\$30,000
	-----	-----	-----	-----	-----
Subtotal	\$1,841,520	\$2,149,385	\$2,313,934	\$2,389,506	\$2,491,455
PUBLIC AFFAIRS					
Personal Services	\$372,240	\$422,207	\$484,595	\$508,538	\$533,668
(FTE)	(11.25)	(10.75)	(11.75)	(11.75)	(11.75)
Material & Svcs.	\$67,473	\$68,167	\$70,314	\$73,858	\$77,476
Capital Outlay	\$6,546	\$650	\$500	\$500	\$500
	-----	-----	-----	-----	-----
Subtotal	\$446,259	\$491,024	\$555,409	\$582,896	\$611,644
TRANSFERS					
Building Fund	\$116,008	\$136,039	\$161,768	\$180,763	\$185,739
Insurance Fund	\$6,290	\$16,866	\$17,000	\$17,500	\$18,000
	-----	-----	-----	-----	-----
Subtotal	\$122,298	\$152,905	\$178,768	\$198,263	\$203,739
CONTINGENCY	\$0	\$50,000	\$75,000	\$75,000	\$75,000
UNAPPROP. BALANCE	\$469,985	\$117,396	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$3,095,109	\$3,239,183	\$3,496,071	\$3,626,848	\$3,781,483
(FTE)	(43.23)	(44.50)	(53.00)	(53.00)	(53.00)

TABLE 4

 ACTUAL AND PROJECTED SUPPORT SERVICE FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$298,448	\$471,960	\$0	\$0	\$0
Interest	\$152,231	\$89,177	\$0	\$0	\$0
Trans Zoo Oper Fund	\$612,960	\$506,572	\$600,800	\$697,842	\$727,595
Trans Planning Fund	\$412,408	\$501,268	\$627,230	\$714,924	\$745,406
Trans SW Oper Fund	\$963,521	\$1,188,134	\$1,400,421	\$1,529,950	\$1,595,181
Trans MERC Fund	\$115,135	\$79,566	\$262,205	\$326,960	\$340,901
Trans Conv Ctr Fund	\$527,220	\$403,136	\$261,122	\$0	\$0
Trans Gen Govt Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
All Other	\$13,186	\$0	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$3,095,109	\$3,239,813	\$3,496,071	\$3,626,848	\$3,781,483

TABLE 5

 ACTUAL AND PROJECTED GENERAL FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

EXPENDITURES	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
Council (FTE)	\$351,610 (6.66)	\$473,962 (7.30)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
Exec. Management (FTE)	\$379,902 (6.60)	\$538,408 (8.85)	\$605,879 (9.00)	\$578,582 (9.00)	\$603,998 (9.00)
General Counsel (FTE)	\$215,047 (4.40)	\$278,473 (4.25)	\$372,960 (6.25)	\$381,183 (6.25)	\$399,645 (6.25)
Finance & Admin. (FTE)	\$1,841,520 (27.63)	\$2,149,385 (29.50)	\$2,313,934 (35.00)	\$2,389,506 (35.00)	\$2,491,455 (35.00)
Public Affairs (FTE)	\$446,259 (11.25)	\$491,024 (10.75)	\$555,409 (11.75)	\$582,896 (11.75)	\$611,644 (11.75)
Subtotal	\$3,234,338	\$3,931,252	\$4,451,222	\$4,560,985	\$4,770,451
TRANSFERS					
Building Fund	\$179,727	\$210,760	\$250,628	\$280,057	\$287,767
Insurance Fund	\$12,580	\$33,733	\$34,000	\$35,000	\$36,000
Planning Fund	\$50,709	\$37,612	\$35,000	\$35,000	\$35,000
Subtotal	\$243,016	\$282,105	\$319,628	\$350,057	\$358,767
CONTINGENCY	\$0	\$100,000	\$175,000	\$175,000	\$175,000
UNAPPROP. BALANCE	\$652,103	\$211,103	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES (FTE)	\$4,129,457 (56.54)	\$4,524,460 (60.65)	\$4,945,850 (70.3)	\$5,086,042 (70.3)	\$5,304,218 (70.3)

TABLE 6

 ACTUAL AND PROJECTED GENERAL FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$398,186	\$652,103 *	\$311,103	\$175,000	\$175,000
Interest	\$203,105	\$123,215	\$150,000	\$125,000	\$125,000
Trans Zoo Oper Fund	\$817,803	\$699,927	\$871,611	\$995,305	\$1,040,677
Trans Planning Fund	\$550,230	\$730,735	\$910,000	\$1,039,145	\$1,086,516
Trans SW Oper Fund	\$1,285,518	\$1,631,534	\$2,031,815	\$2,320,130	\$2,425,895
Trans MERC Fund	\$153,612	\$109,936	\$336,356	\$431,462	\$451,130
Trans Conv Ctr Fund	\$703,410	\$557,010	\$334,965	\$0	\$0
All Other	\$17,593	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$4,129,457	\$4,524,460	\$4,945,850	\$5,086,042	\$5,304,218

* Actual beginning balance per audit.

TABLE 7

COMPARISON OF OPERATING TRANSFERS FOR
GENERAL FUND AND SUPPORT SERVICES FUND

	FY 1990-91 PROJECTED	FY 1991-92 PROJECTED	FY 1992-93 PROJECTED	TOTAL PROJECTED	ANNUAL PROJECTED AVERAGE
ZOO OPERATING FUND					
General Fund	\$871,611	\$995,305	\$1,040,677	\$2,907,593	\$969,198
Support Service Fund	\$600,800	\$697,842	\$727,595	\$2,026,237	\$675,412
Difference	(\$270,811)	(\$297,463)	(\$313,082)	(\$881,356)	(\$293,786)
PLANNING FUND					
General Fund	\$910,000	\$1,039,145	\$1,086,516	\$3,035,661	\$1,011,887
Support Service Fund	\$627,230	\$714,924	\$745,406	\$2,087,560	\$695,853
Difference	(\$282,770)	(\$324,221)	(\$341,110)	(\$948,101)	(\$316,034)
SW OPERATING FUND					
General Fund	\$2,031,815	\$2,320,130	\$2,425,895	\$6,777,840	\$2,259,280
Support Service Fund	\$1,400,421	\$1,529,950	\$1,595,181	\$4,525,552	\$1,508,517
Difference	(\$631,394)	(\$790,180)	(\$830,714)	(\$2,252,288)	(\$750,763)
MERC FUND					
General Fund	\$336,356	\$431,462	\$451,130	\$1,218,948	\$406,316
Support Service Fund	\$262,205	\$326,960	\$340,901	\$930,066	\$310,022
Difference	(\$74,151)	(\$104,502)	(\$110,229)	(\$288,882)	(\$96,294)
GENERAL GOVNM'T FUND					
General Fund	\$0	\$0	\$0	\$0	\$0
Support Service Fund	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955
Difference	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955

TABLE 8

PRELIMINARY ANALYSIS OF EXCISE TAX ALTERNATIVES

TOTAL REVENUE REQUIRED		\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
PERCENT EXCISE TAX REQUIRED		4.30%	5.37%	5.91%	6.45%
REVENUE	Budget	Potential	Potential	Potential	Potential
	FY 1989-90	Tax Revenue	Tax Revenue	Tax Revenue	Tax Revenue
GENERAL FUND					
339200 Contract Services	\$0	\$0	\$0	\$0	\$0
341500 Documents & Publications	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0
BUILDING MANAGEMENT					
347220 Sublease Income	\$166,589	\$7,163	\$8,954	\$9,849	\$10,745
374000 Parking Fees	\$50,995	\$2,193	\$2,741	\$3,015	\$3,289
Subtotal	\$217,584	\$9,356	\$11,695	\$12,864	\$14,034
ZOO					
347100 Admissions	\$2,105,870	\$90,550	\$113,188	\$124,506	\$135,825
347210 Rental-Conveyances	\$29,100	\$1,251	\$1,564	\$1,720	\$1,877
347220 Rentals-Building	\$0	\$0	\$0	\$0	\$0
347311 Food Service-Regular/Food	\$1,492,300	\$64,167	\$80,209	\$88,230	\$96,251
347312 Food Service-Regular/Beer & Wine	\$52,000	\$2,236	\$2,795	\$3,074	\$3,354
347321 Food Service-Catering/Food	\$170,000	\$7,310	\$9,137	\$10,051	\$10,965
347322 Food Service-Catering/Beer & Wine	\$22,000	\$946	\$1,182	\$1,301	\$1,419
347400 Retail Sales	\$452,200	\$19,444	\$24,305	\$26,736	\$29,166
347410 Retail Sales-Vending	\$32,300	\$1,389	\$1,736	\$1,910	\$2,083
347910 Tuition & Lectures	\$94,854	\$4,079	\$5,098	\$5,608	\$6,118
347920 Exhibit Shows/Zoo	\$12,000	\$516	\$645	\$709	\$774
347930 Railroad Rides	\$378,300	\$16,266	\$20,333	\$22,366	\$24,400
Subtotal	\$4,840,924	\$208,154	\$260,193	\$286,212	\$312,231

Solid Waste

341500 Documents & Publications	\$2,120	\$91	\$114	\$125	\$137
3431XX Tip Fee	\$40,234,288	\$1,730,029	\$2,162,536	\$2,378,790	\$2,595,044
343180 Special Waste Fee	\$9,150	\$393	\$492	\$541	\$590
343200 Franchise Fee	\$1,500	\$64	\$81	\$89	\$97
343900 Tarp Sale	\$674	\$29	\$36	\$40	\$43
Subtotal	\$40,247,732	\$1,730,607	\$2,163,259	\$2,379,585	\$2,595,911

PLANNING FUND

339200 Contract Services (Private)	\$47,500	\$2,042	\$2,553	\$2,808	\$3,064
341310 UGB Fees	\$2,800	\$120	\$150	\$166	\$181
341500 Documents & Publications	\$17,500	\$752	\$941	\$1,035	\$1,129
341600 Conferences & Workshops	\$21,000	\$903	\$1,129	\$1,242	\$1,354
Subtotal	\$88,800	\$3,818	\$4,773	\$5,250	\$5,727

CONVENTION CENTER 90-91 EST. by L&H

Rentals	\$432,782	\$18,609	\$23,261	\$25,588	\$27,914
Concessions	\$201,965	\$8,684	\$10,855	\$11,941	\$13,026
Event Labor	\$126,295	\$5,431	\$6,788	\$7,467	\$8,146
Equipment Rental	\$45,182	\$1,943	\$2,428	\$2,671	\$2,914
Utility Service	\$171,075	\$7,356	\$9,195	\$10,115	\$11,034
Parking	\$140,507	\$6,042	\$7,552	\$8,307	\$9,062
Subtotal	\$1,117,806	\$48,064	\$60,080	\$66,089	\$72,097

TOTAL

\$46,512,846	\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
--------------	-------------	-------------	-------------	-------------

PROJECTED FY 1990-91 SUPPORT SERVICES FUND
COST INCREASES

Office of General Counsel

Secretary	\$ 23,530
Legal Counsel	45,015
Capital	<u>9,500</u>
	\$ 78,045

Finance & Administration

Accounting Clerk 2	\$ 25,945
Accounting Clerk 3	28,615
Data Entry Clerk	21,340
Administrative Assistant	30,050
Data Processing Operator	30,050
Capital	20,000
Materials & Services	<u>25,000</u>
	\$181,000

Personnel

Data Entry Clerk	\$ 21,340
Capital	<u>3,500</u>
	\$ 24,840

Public Affairs

Program Assistant 2	\$ 28,615
Capital	<u>7,500</u>
	\$ 36,115

TOTAL	9 FTE	\$320,000
-------	-------	-----------

Assumptions

1. Capital costs are one time expenses.
2. Construction/Engineering Section costs are not budgeted in the Support Services Fund.
3. All positions hired at the beginning rate.
4. Personnel costs include salary and fringe.
5. Fringe rate at 35 percent.

JS/srs
js\misc\ssfund



METRO

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

ATTACHMENT 3

(Fin Comm. Report/rd. 90-333)

February 22, 1990

The Honorable George Van Bergen
Chair, Council Finance Committee
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Councilor Van Bergen:

Re: Ordinance No. 90-333-A (Excise Tax)

The purpose of this letter is to explain in detail the proposed revisions to Ordinance No. 90-333 that are set forth in Ordinance No. 90-333-A attached hereto. I recommend that the Finance Committee amend Ordinance No. 90-333 to incorporate the proposed revisions.

In general these revisions have been prepared to clarify the Ordinance and correct errors contained in the original version of Ordinance No. 90-333.

The original version of Ordinance No. 90-333 was modeled on a local government excise tax ordinance. The Ordinance as introduced contains certain internal inconsistencies resulting from the use of a "model" that does not exactly match Metro's situation. Some of the proposed revisions contained in Ordinance No. 90-333-A correct these inconsistencies. This category of corrections are marked as Type #1 corrections on the attached copy of Ordinance No. 90-333-A.

As introduced, Ordinance No. 90-333 required quarterly tax returns to be filed by operators of District facilities. Since solid waste disposal franchisees currently pay Metro's user fees on a monthly basis the Accounting Division and Solid Waste Department have recommended that excise taxes be paid on the same schedule. The revisions necessary to accomplish this are indicated as Type #2 revisions on the attached Ordinance.

The model used to prepare Ordinance No. 90-333 contemplated a different appeal and hearing process than the provisions currently set forth in the Metro Code. Revisions to amend the Ordinance to make the appeal and hearing process

Executive Officer
Rena Cusma

Metro Council

Tanya Collier
Presiding Officer
District 9

Gary Hansen
Deputy Presiding
Officer
District 12

Mike Ragsdale
District 1

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Ruth McFarland
District 7

Judy Wyers
District 8

Roger Buchanan
District 10

David Knowles
District 11

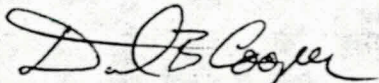
The Honorable George Van Bergen
February 22, 1990
Page 2

consistent with the existing Metro Code Contested Case procedures are marked at Type #3.

Finally, certain changes are recommended to clarify the meaning of the original version of Ordinance No. 90-333. These revisions are marked as Type #4.

I will be in attendance at the Finance Committee's scheduled meeting on March 1, 1990, to answer any questions the Committee may have.

Yours very truly,


Daniel B. Cooper,
General Counsel

gl
1054

Attachment


METRO

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

Memorandum

DATE: February 26, 1990

TO: Council Finance Committee

FROM: Donald E. Carlson, Council Administrator *DC*
 Raymond J. Phelps, Finance & Administration Director *RJP*

RE: Impact of Proposed Excise Tax

The purpose of this memo is to provide information on the impact of the proposed excise tax on the users of Metro facilities, services or functions. The data used in this analysis is taken from the initial two memos provided to the Committee: the first dated October 21, 1989 titled "Implementation of the Excise Tax" and the second dated February 2, 1990 titled "Actual and Projected Revenue and Expenditures for Proposed General Government and Support Service Funds -- FY 1988-89 to FY 1992-93"; and FY 1990-91 proposed budget revenue projections provided by the Finance and Administration Department (see Bob Ricks memo attached as Appendix A).

Table 1 provides a summary of the impact of the proposed tax on the users of Metro facilities and services for each of the next three years. The information is derived from data included in Exhibits 1 through 5 and Exhibits 1A through 5A attached. The Base Case is defined as expenditures and revenue for the costs of General Government activities (costs of Council and Executive Officer). Options A through D are the Base Case plus additional revenue and expenditures for several planning functions of the District (Option A assumes \$500,000 for planning and Option D assumed \$1,500,000 for planning). The costs show as a transfer to the Planning Fund in Exhibits 2 through 5.

The methodology used to analyze the impact on each functional area is as follows: first, the projected revenue to be derived from the proposed tax was added to the proposed transfer to the new Support Service Fund to obtain the total cost of the new excise tax system; second, the projected transfer to the General Fund necessary if the current transfer system were to continue was subtracted from the cost of the new excise tax system. If the resulting number is positive, then there would be an added cost to the function and users of the particular facility or service in question. If the resulting number is negative, then there would not be an added cost to the user of the service. A negative number means that the projected cost of the particular function or service would be less with the implementation of the tax, because of the reduction of the potential General Fund transfer cost.

COUNCIL FINANCE COMMITTEE
February 26, 1990
Page Two

As indicated in Table 1, implementation of the excise tax should not cause increases in costs to users of the Zoo, the Convention Center, and the planning activities of the District. Implementation of the tax will cause an added cost to users of the solid waste system.

Table 2 shows the impact of the excise tax on users of the solid waste system. Net costs to the system users increase on an annual average basis for three years from \$566,480 for the Base Case to \$1,886,660 for Option D (\$1,500,000 for Planning).

Table 2 shows the impact on users of the solid waste system for the various options. It includes the estimated impact on a cost per ton basis and the resulting estimated annual impact on a "typical" residential customer and a selected business. The "typical" residential customer is one which produces an average of 45 pounds of solid waste per week and the selected business customer is one which produces 2,000 pounds of solid waste per week. Table 2 shows that the cost per ton to users of the solid waste system will increase on an annual average basis over the next three years from \$.55/ton for the Base Case to \$1.83/ton for Option D. Annual average additional costs for the "typical" residence are estimated to range from \$.66 for the Base Case to \$2.20 for Option D. Annual average additional costs for the selected business are estimated to range from \$28.60 for the Base Case to \$95.16 for Option D.

DEC:aeb
Attachment

A:\EXCISE.MEM

TABLE 1

SUMMARY OF THE NET ADDED COST TO
USERS OF METRO FACILITIES AND SERVICES*

NET ADDED COST**	90-91	91-92	92-93	ANNUAL AVERAGE
<u>SOLID WASTE</u>				
BASE	\$516,034	\$579,940	\$603,467	\$566,480
OPTION A	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
OPTION B	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
OPTION C	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
OPTION D	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
<u>ZOO</u>				
BASE	(\$144,598)	(\$146,755)	(\$155,327)	(\$148,894)
OPTION A	(\$96,193)	(\$98,350)	(\$106,922)	(\$100,489)
OPTION B	(\$47,788)	(\$49,945)	(\$58,517)	(\$52,084)
OPTION C	(\$23,585)	(\$25,742)	(\$34,314)	(\$27,881)
OPTION D	\$617	(\$1,540)	(\$10,112)	(\$3,679)
<u>PLANNING</u>				
BASE	(\$280,958)	(\$322,057)	(\$338,845)	(\$313,954)
OPTION A	(\$280,263)	(\$321,362)	(\$338,150)	(\$313,259)
OPTION B	(\$279,568)	(\$320,667)	(\$337,455)	(\$312,564)
OPTION C	(\$279,221)	(\$320,320)	(\$337,108)	(\$312,217)
OPTION D	(\$278,873)	(\$319,972)	(\$336,760)	(\$311,869)
<u>CON. CNTR/MERC</u>				
BASE	(\$123,145)	(\$44,619)	(\$47,671)	(\$71,813)
OPTION A	(\$113,615)	(\$35,089)	(\$38,141)	(\$62,283)
OPTION B	(\$104,085)	(\$25,559)	(\$28,611)	(\$52,753)
OPTION C	(\$99,320)	(\$20,794)	(\$23,846)	(\$47,988)
OPTION D	(\$94,555)	(\$16,029)	(\$19,081)	(\$43,223)

* See attached Exhibits 1 through 5 and Exhibits 1A through 5A for the derivation of the above numbers.

** Net added cost is the difference between the combination of tax revenue and the projected transfer to the new Support Service Fund minus the projected transfer to the General Fund necessary if the tax is not implemented. A minus number means there will be a lower cost to the appropriate operating fund if the tax is implemented and no increased cost to users of the facility or services.

TABLE 2

IMPACT OF EXCISE TAX ON SOLID WASTE USERS

	90-91	91-92	92-93	ANNUAL AVERAGE
<u>NET ADDED COST</u>				
BASE	\$516,034	\$579,940	\$603,467	\$566,480
OPTION A	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
OPTION B	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
OPTION C	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
OPTION D	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
<u>COST/TON*</u>				
BASE	\$0.49	\$0.57	\$0.59	\$0.55
OPTION A	\$0.91	\$1.00	\$1.02	\$0.98
OPTION B	\$1.33	\$1.42	\$1.45	\$1.40
OPTION C	\$1.54	\$1.64	\$1.66	\$1.61
OPTION D	\$1.75	\$1.85	\$1.88	\$1.83
<u>ANNUAL COST TO TYPICAL RESIDENCE**</u>				
BASE	\$0.59	\$0.68	\$0.72	\$0.66
OPTION A	\$1.09	\$1.20	\$1.22	\$1.18
OPTION B	\$1.60	\$1.70	\$1.74	\$1.68
OPTION C	\$1.85	\$1.97	\$1.99	\$1.93
OPTION D	\$2.10	\$2.22	\$2.26	\$2.20
<u>ANNUAL COST TO SELECTED BUSINESS***</u>				
BASE	\$25.48	\$29.64	\$30.68	\$28.60
OPTION A	\$47.32	\$52.00	\$53.04	\$50.96
OPTION B	\$69.16	\$73.84	\$75.40	\$72.80
OPTION C	\$80.08	\$85.28	\$86.32	\$83.72
OPTION D	\$91.00	\$96.20	\$97.76	\$95.16

* Based on the following projected tonnages: 1,047,422 in 1990; 1,024,882 in 1991; 1,023,657 in 1992; and an annual average of 1,031,987.

** Estimated at \$.10 per month cost for each \$1.00 per ton (based on 45 pounds of solid waste disposed of per week).

Calculation: $45 \text{ lbs.} \times 52 = 2340 \text{ lbs. per year}$
 $2340 \div 2,000 = 1.17 \text{ tons}$
 $1.17 \times \$1.00 = \1.17
 $\$1.17 \div 12 = \0.0975 per month

*** Estimated at \$4.34 per month cost for each \$1.00 per ton (based on 2,000 pounds of solid waste disposed of per week).

Calculation: $2,000 \text{ lbs.} \times 52 = 104,000 \text{ lbs. per year}$
 $104,000 \div 2,000 = 52 \text{ tons}$
 $52 \times 1.00 = \$52.00$
 $\$52 \div 12 = \4.34 per month

EXHIBIT 1

BASE CASE GENERAL GOVERNMENT

	90-91	91-92	92-93
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$0	\$0	\$0
SUB-TOTAL	\$450,153	\$473,966	\$492,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$1,629,191	\$1,646,742	\$1,719,529

<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$1,303,718	\$1,556,742	\$1,629,529
TOTAL REVENUE	\$1,629,191	\$1,646,742	\$1,719,529

EXHIBIT 1A

COMPARISON OF COSTS TO USERS (BASE CASE)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$2,547,849	\$2,900,070	\$3,029,362	\$2,825,760
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$516,034	\$579,940	\$603,467	\$566,480
<hr/>				
ZOO				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$727,013	\$848,550	\$885,350	\$820,304
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$144,598)	(\$146,755)	(\$155,327)	(\$148,894)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$629,042	\$717,088	\$747,671	\$697,933
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$280,958)	(\$322,057)	(\$338,845)	(\$313,954)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$548,176	\$386,843	\$403,459	\$446,158
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$123,145)	(\$44,619)	(\$47,671)	(\$71,813)

EXHIBIT 2

GENERAL GOVERNMENT AND PLANNING (Option A)

	90-91	91-92	92-93
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$500,000	\$500,000	\$500,000
SUB-TOTAL	\$950,153	\$973,966	\$992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,129,191	\$2,146,742	\$2,219,529

	90-91	91-92	92-93
<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$1,803,718	\$2,056,742	\$2,129,529
TOTAL REVENUE	\$2,129,191	\$2,146,742	\$2,219,529

EXHIBIT 2A

COMPARISON OF COSTS TO USERS (Planning Option A)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$440,060	\$440,060	\$440,060	\$440,060
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$2,987,909	\$3,340,130	\$3,469,422	\$3,265,820
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$48,405	\$48,405	\$48,405	\$48,405
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$775,418	\$896,955	\$933,755	\$868,709
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$96,193)	(\$98,350)	(\$106,922)	(\$100,489)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$695	\$695	\$695	\$695
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$629,737	\$717,783	\$748,366	\$698,628
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$280,263)	(\$321,362)	(\$338,150)	(\$313,259)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$9,530	\$9,530	\$9,530	\$9,530
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$557,706	\$396,373	\$412,989	\$455,688
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$113,615)	(\$35,089)	(\$38,141)	(\$62,283)

EXHIBIT 3

GENERAL GOVERNMENT AND PLANNING (Option B)

	<u>90-91</u>	<u>91-92</u>	<u>92-93</u>
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,000,000	\$1,000,000	\$1,000,000
SUB-TOTAL	\$1,450,153	\$1,473,966	\$1,492,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,629,191	\$2,646,742	\$2,719,529

<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,303,718	\$2,556,742	\$2,629,529
TOTAL REVENUE	\$2,629,191	\$2,646,742	\$2,719,529

EXHIBIT 3A

COMPARISON OF COSTS TO USERS (Planning Option B)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$880,120	\$880,120	\$880,120	\$880,120
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,427,969	\$3,780,190	\$3,909,482	\$3,705,880
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$96,810	\$96,810	\$96,810	\$96,810
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$823,823	\$945,360	\$982,160	\$917,114
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$47,788)	(\$49,945)	(\$58,517)	(\$52,084)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$1,390	\$1,390	\$1,390	\$1,390
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,432	\$718,478	\$749,061	\$699,323
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,568)	(\$320,667)	(\$337,455)	(\$312,564)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$19,060	\$19,060	\$19,060	\$19,060
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$567,236	\$405,903	\$422,519	\$465,218
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$104,085)	(\$25,559)	(\$28,611)	(\$52,753)

EXHIBIT 4

GENERAL GOVERNMENT AND PLANNING (Option C)

	90-91	91-92	92-93
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,250,000	\$1,250,000	\$1,250,000
SUB-TOTAL	\$1,700,153	\$1,723,966	\$1,742,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,879,191	\$2,896,742	\$2,969,529

	90-91	91-92	92-93
<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,553,718	\$2,806,742	\$2,889,529
TOTAL REVENUE	\$2,879,191	\$2,896,742	\$2,979,529

EXHIBIT 4A

COMPARISON OF COSTS TO USERS (Planning Option C)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$1,100,150	\$1,100,150	\$1,100,150	\$1,100,150
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,647,999	\$4,000,220	\$4,129,512	\$3,925,910
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$121,013	\$121,013	\$121,013	\$121,013
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$848,026	\$969,563	\$1,006,363	\$941,317
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$23,585)	(\$25,742)	(\$34,314)	(\$27,881)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$1,737	\$1,737	\$1,737	\$1,737
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,779	\$718,825	\$749,408	\$699,670
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,221)	(\$320,320)	(\$337,108)	(\$312,217)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$23,825	\$23,825	\$23,825	\$23,825
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$572,001	\$410,668	\$427,284	\$469,983
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$99,320)	(\$20,794)	(\$23,846)	(\$47,988)

EXHIBIT 5

GENERAL GOVERNMENT AND PLANNING (Option D)

	90-91	91-92	92-93
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,500,000	\$1,500,000	\$1,500,000
SUB-TOTAL	\$1,950,153	\$1,973,966	\$1,992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$3,129,191	\$3,146,742	\$3,219,529

	90-91	91-92	92-93
<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,803,718	\$3,056,742	\$3,129,529
TOTAL REVENUE	\$3,129,191	\$3,146,742	\$3,219,529

EXHIBIT 5A

COMPARISON OF COSTS TO USERS (Planning Option D)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$1,320,180	\$1,320,180	\$1,320,180	\$1,320,180
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,868,029	\$4,220,250	\$4,349,542	\$4,145,940
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$145,215	\$145,215	\$145,215	\$145,215
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$872,228	\$993,765	\$1,030,565	\$965,519
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	\$617	(\$1,540)	(\$10,112)	(\$3,679)
<hr/>				
PLANNING				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$2,085	\$2,085	\$2,085	\$2,085
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$631,127	\$719,173	\$749,756	\$700,018
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$278,873)	(\$319,972)	(\$336,760)	(\$311,869)
<hr/>				
CONV. CNTR/MERC				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$28,590	\$28,590	\$28,590	\$28,590
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$576,766	\$415,433	\$432,049	\$474,748
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$94,555)	(\$16,029)	(\$19,081)	(\$43,223)

**METRO**

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

Memorandum

DATE: February 23, 1990

TO: Don Carlson, Council Administrator

FROM: *BR* Bob Ricks, Senior Management Analyst

TOPIC: Excise Tax

Ray informed me that the way the revenues have been input to the budget process, they are the total to be collected from the customers and include the excise tax, rather than the excise tax being on top of the revenue numbers. As a consequence, the tax rate necessary to raise a given level of excise tax revenue is:

$$R=T/(G-T)$$

where R is the excise tax rate required, T is the excise tax amount desired, and G is the gross income including the excise tax.

BR/

PRELIMINARY ANALYSIS OF EXCISE TAX ALTERNATIVES

TOTAL REVENUE REQUIRED		\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
PERCENT EXCISE TAX REQUIRED		3.53%	4.45%	4.92%	5.39%
REVENUE	Budget	Potential	Potential	Potential	Potential
	FY 1990-91 Tax	RevenueTax	RevenueTax	RevenueTax	RevenueTax
GENERAL FUND					
339200 Contract Services	\$0	\$0	\$0	\$0	\$0
341500 Documents & Publications	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0
BUILDING MANAGEMENT					
347220 Sublease Income	\$99,840	\$3,406	\$4,257	\$4,683	\$5,108
374000 Parking Fees	\$53,614	\$1,893	\$2,286	\$2,515	\$2,743
Subtotal	\$153,454	\$5,299	\$6,543	\$7,197	\$7,851
ZOO					
347100 Admissions	\$2,327,339	\$79,385	\$99,231	\$109,154	\$119,077
347210 Rental-Conveyances	\$39,400	\$1,344	\$1,680	\$1,848	\$2,016
347220 Rentals-Building	\$0	\$0	\$0	\$0	\$0
347311 Food Service-Regular/Food	\$1,870,465	\$63,801	\$79,751	\$87,726	\$95,702
347312 Food Service-Regular/Beer & Wine	\$52,000	\$1,774	\$2,217	\$2,439	\$2,661
347321 Food Service-Catering/Food	\$263,000	\$8,971	\$11,214	\$12,335	\$13,456
347322 Food Service-Catering/Beer & Wine	\$35,000	\$1,194	\$1,492	\$1,642	\$1,791
347400 Retail Sales	\$522,891	\$17,836	\$22,295	\$24,524	\$26,753
347410 Retail Sales-Vending	\$47,150	\$1,608	\$2,010	\$2,211	\$2,412
347910 Tuition & Lectures	\$112,197	\$3,827	\$4,784	\$5,262	\$5,741
347920 Exhibit Shows/Zoo	\$13,000	\$443	\$554	\$610	\$665
347930 Railroad Rides	\$394,000	\$13,439	\$16,799	\$18,479	\$20,159
Subtotal	\$5,676,442	\$193,622	\$242,027	\$266,230	\$290,433
Solid Waste					
341500 Documents & Publications	\$2,500	\$85	\$107	\$117	\$128
3431XX Tip Fee	\$51,303,220	\$1,749,938	\$2,187,423	\$2,406,165	\$2,624,907
343180 Special Waste Fee	\$292,600	\$9,981	\$12,476	\$13,723	\$14,971
343200 Franchise Fee	\$6,000	\$205	\$256	\$281	\$307
343900 Tarp Sale	\$800	\$27	\$34	\$38	\$41
Subtotal	\$51,605,120	\$1,760,236	\$2,200,295	\$2,420,324	\$2,640,354
PLANNING AND DEVELOPMENT FUND					
339200 Contract Services (Private)	\$0	\$0	\$0	\$0	\$0
341310 UGB Fees	\$1,500	\$51	\$64	\$70	\$77
341500 Documents & Publications	\$10,000	\$341	\$426	\$469	\$512
341600 Conferences & Workshops	\$20,000	\$682	\$853	\$938	\$1,023
Subtotal	\$31,500	\$1,074	\$1,343	\$1,477	\$1,612

TRANSPORTATION

339200 Contract Services (Private)	\$30,000	\$1,023	\$1,279	\$1,407	\$1,535
341500 Documents & Publications	\$20,000	\$682	\$853	\$938	\$1,023
341600 Conferences & Workshops	\$0	\$0	\$0	\$0	\$0

Subtotal	\$50,000	\$1,705	\$2,132	\$2,345	\$2,558
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CONVENTION CENTER 90-91 EST. by L&H

Rentals	\$432,782	\$14,762	\$18,453	\$20,298	\$22,143
Concessions	\$201,965	\$6,889	\$8,611	\$9,472	\$10,333
Event Labor	\$126,295	\$4,308	\$5,385	\$5,923	\$6,462
Equipment Rental	\$45,182	\$1,541	\$1,926	\$2,119	\$2,312
Utility Service	\$171,075	\$5,835	\$7,294	\$8,024	\$8,753
Parking	\$140,507	\$4,793	\$5,991	\$6,590	\$7,189

Subtotal	\$1,117,806	\$38,128	\$47,660	\$52,426	\$57,192
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TOTAL

\$58,634,322	\$2,000,065	\$2,500,000	\$2,750,000	\$3,000,000
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RSR EXCISE.WK1

25-Feb-90


METRO

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

Memorandum

DATE: February 27, 1990

TO: Finance Committee

FROM: Donald E. Carlson, Council Administrator *DEC*

RE: Possible Election Dates and Costs of Excise Tax Election

This memo is prepared in response to Councilor Hansen's question at the February 20, 1990 meeting regarding the possible election dates in 1990 and the potential costs to the District of an excise tax election. ORS 255.345 sets the possible election dates for District elections as follows:

"...a special election called by the district election authority shall not be held on any date other than:

- (a) the fourth Tuesday in March;
- (b) the third Tuesday in May;
- (c) the last Tuesday in June;
- (d) the second Tuesday in August;
- (e) the third Tuesday in September; or
- (f) the first Tuesday after the first Monday in November."

Exhibit A attached shows possible election dates in 1990 for this issue. While the May 15, 1990 election date is listed, it is for all intents and purposes not available because of the March 15 filing deadline necessary for use of the Voter's Pamphlet and the assumption that the Council will not act on the Ordinance until its March 22, 1990 meeting. If the Council wishes to meet the objective of having the tax implemented for FY 1990-91 (July 1, 1990), then the only available election date is June 26, 1990.

Regarding the potential cost of an election, Exhibit B (part of a July 5, 1989 memo prepared for the Zoo levy) provides historical information on District election costs. As indicated, the District measures in the past have been for Zoo serial levies or tax base measures.

The March 1987 Zoo serial levy measure is highlighted because it is comparable to the potential June 26, 1990 special election date. The cost to the District of that election was \$56,042. It is difficult to estimate the cost to the District of a June 26, 1990 election because the costs vary based on the number of items on the ballot. Based on the information in Exhibit B, staff estimates an excise tax election's costs to range from \$60,000 to \$100,000 for the June 26, 1990 election.

DEC:aeb
Attachment

EXHIBIT A

POTENTIAL 1990 DISTRICT ELECTION DATES

<u>DATES</u>	<u>FILING REQUIREMENT DEADLINE</u>
May 15, 1990*	Not later than 61 days before election (March 15, 1990)
June 26, 1990	Not later than 34 days before election (May 23, 1990)
August 14, 1990	Not later than 43 days before election (July 2, 1990)
September 18, 1990	Not later than 34 days before election (August 15, 1990)
November 6, 1990*	Not later than 61 days before election (September 16, 1990). If measure is submitted at 9/18/90 election and fails, filing date for 11/6/90 election is not later than 43 days before election (September 24, 1990).

- * If Voter's Pamphlet is to be used, the filing date with the Secretary of State is not later than 70 days before the election and the measure must have cleared the period for filing a challenge to the ballot title. The ballot title challenge period commences with filing of the measure with the District Elections Officer and runs for 7 working days. Also, time should be provided for the Judicial Review. A conservative approach would be to file the measure with the District Elections Officer not later than 30 days before the Secretary of State filing deadline. For the November 6, 1990 election, the filing date with the Elections Officer should be no later than July 30, 1990.

A:\MEM0223.DEC

EXHIBIT BA. Costs & Historical Trends

The March election (a special election) and the May ballot (a primary election) present different cost possibilities. Summarized below are District election costs beginning with FY79-80 -- no information is available on the first November 12, 1978 election for Metro representatives -- and March and May 1990 projections.

<u>ELECTION DATES</u>	<u>RACES/MEASURES</u>	<u>(FY)</u>	<u>COST/FUND</u>
<u>Past Elections</u>			
May, 1980	o Zoo Serial Levy o 6 Councilors	(79-80)	\$39,592 (Z)
Nov. 1980	o Metro Tax Base o No Councilors/Races Decided in May	(80-81)	\$36,716 (Z)
May, 1982	o Executive/6 Councilors	(81-82)	\$47,494 (GF)
Nov. 1982	o No Races	(82-83)	0
May, 1984	o Zoo Serial Levy o 6 Councilors	(83-84)	\$40,034 (Z) <u>21,807</u> (GF) \$61,841
Nov. 1984	o No Races	(84-85)	0
May, 1986	o Metro Tax Base o Executive/6 Councilors	(85-86)	\$72,767 (Z) <u>40,000</u> (GF) \$112,767
Nov. 1986	o Convention Ctr. Bonds o Executive/2 Councilors	(86-87)	\$56,232 (CCMF) <u>56,232</u> (GF) \$112,464
Mar. 1987	o Zoo Serial Levy	(86-87)	\$56,042 (Z)
May, 1988	o 6 Councilors	(87-88)	\$65,261 (GF)
Nov. 1988	o 2 Councilors	(88-89)	\$28,626 (GF)
<u>Potential Elections</u>			
Mar. 1990	o Zoo Levy	(89-90)	\$60,000 (Z)
May, 1990	o Zoo Levy, Executive, 6 Councilors	(89-90)	\$115,000 (Z/GF)
June 1990	o Zoo Levy	(89-90)	\$60,000 (Z)

LYNN SHARP

Environmental Consultant

10906 S.E. 54th PLACE • MILWAUKIE, OR 97222

503/654-7012

*For Submission
to the Council Finance
Committee,
March 1, 1990*

Jessica Marlitt
Metro Council
2000 SW First
Portland, OR 97201

February 28, 1990

RE: Proposed Excise Tax

As I am unable to attend your meeting, I am writing this letter to to express my support for the proposed Excise Tax. The Portland Metropolitan Area is experiencing rapid population growth at this time, and this growth is expected to continue. Already the large green spaces in Lake Oswego, Beaverton, Washington County and North Clackamas County have disappeared or are slated for development. Already we have gridlock during rush hour on major streets. Unless Metro has the financial resources to deal on a proactive basis with these problems, they will worsen and we will end up like Seattle or San Francisco.

As you know, I am involved in the Natural Areas Inventory study. Our long-term plan is to be able to purchase large tracts of natural areas in the Portland-Vancouver Metropolitan region in order to maintain our high quality of life in terms of natural resources and outdoor recreation opportunities.

We don't have much time!! Unless the later phases of this natural area study are adequately and rapidly funded, we will be too late to purchase areas of critical importance. There are, of course, many other pressing issues, such as transportation, which also need increased financial support. I stress my support for the excise tax, and urge you to ensure that funding sufficient to permit full implementation of the natural areas program is provided.

Sincerely,

Lynn Sharp

March 1, 1990

Councilor George Van Bergen
Chair, Council Finance Committee
Metro
2000 S.W. First Ave.
Portland, Oregon 97201

Dear Councilor Van Bergen:

On October 27, 1989, the Metro Council adopted Ordinance 88-266B approving the Regional Solid Waste Management Plan. The Plan's Policy 11 states that "Metro shall provide financial support for source separation programs, to produce high grade select loads and to carry out other waste reduction programs". The Policy continues with the statement that "In providing financial incentives for those who recycle, the cost of final disposal will increase. To the extent feasible, this increased cost should be paid by those who are not participating in recycling".

The proposed Ordinance 90-333 as currently drafted is in conflict with this Policy and the adopted Solid Waste Management Plan by imposing an excise tax on recycling and waste reduction activities.

There are other fees imposed by Metro on solid waste such as the user fee and regional transfer charge. In keeping with the waste reduction incentive policy, Metro provides exemption of these fees on recyclables. Section 5.02.045 (g) of the Metro Code states "User fees shall not apply to wastes received at franchised processing centers that accomplish material recovery and recycling as a primary operation". Section 5.02.050 (f) provides the same exemption for the regional transfer charge. These exemptions eliminate the Metro fees on recyclables recovered at the processing centers, however, the Metro fees are imposed on all nonrecovered material generated at the processing center and delivered to an approved Metro facility.

In December 1989, the Metro Solid Waste Department Staff recommended to the Council Solid Waste Committee that the user fee exemption be eliminated and that Metro impose this fee on recyclables. The impact to Wastech would be in excess of \$450,000.00 per year which we can not pass through to our customers and would render the approved expansion of Oregon Processing and Recovery Center not economically feasible. Since the staff's recommendation was first made public, there has been little or no support to reverse the existing waste reduction incentive policy. For example, Metro's Rate Review Committee has testified in opposition to the staff recommendation as well as the Oregon Department of Environmental Quality. The Association of Oregon Recyclers will present their opposition at the next Solid Waste Council Committee hearing on this issue.

I recommend that Metro continue providing the economic incentives to encourage recycling and waste reduction as required in the adopted Solid Waste Management Plan by modifying Section 7.01.050, Exemption, of the proposed Ordinance 90-333 to add a paragraph (7) to section (a) to read as follows: Any franchised processing center that accomplishes material recovery and recycling as a primary operation. This modification will eliminate the excise tax on materials recycled while requiring the operator of a franchised processing center to pay the excise tax on all nonrecovered waste.

Thank you for the opportunity to provide my comments on the proposed excise tax ordinance. Should you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Merle Irvine', written over a horizontal line.

Merle Irvine
Executive Vice President

cc: Metro Council Finance Committee

FINANCE COMMITTEE REPORT

ORDINANCE NO. 90-333A, AN ORDINANCE FOR THE PURPOSE OF IMPOSING AN EXCISE TAX

Date: March 5, 1990

Presented by: Councilor Van Bergen

COMMITTEE RECOMMENDATION: At the March 1, 1990 Finance Committee meeting the Committee approved a recommendation for Council adoption of Ordinance No. 90-333 as amended (90-333A). Voting in favor were Councilors Collier, Devlin, Gardner and Van Bergen. Voting against the motion was Councilor Wyers.

COMMITTEE DISCUSSION/ISSUES: The Committee held two public hearings on Ordinance No. 90-333. The first was held on February 20, 1990, and the second was held on March 1, 1990. At the February 20, 1990 meeting General Counsel Cooper presented the staff report. He indicated that Ordinance No. 90-333 was the result of legislation enacted by the 1989 Legislative Assembly which authorizes the district to impose an excise tax on persons using facilities or services provided by the District. The Ordinance as written imposes the tax on persons using the services of the Zoo; the Convention Center; the solid waste system (both the District's system and private facilities franchised by the District); planning services and the rental of office space and parking at the Metro Center building. The ordinance provides exemptions from paying the tax for: 1) persons exempted by laws of the state or federal governments; 2) persons using City ERC facilities (Memorial Coliseum, Civic Stadium and the Performing Arts Center); 3) persons who donate money to the District; 4) persons making payments for a business license under ORS 701.015; 5) any state or local government unless the government uses the Zoo, solid waste system or convention center; and 6) subleases or subtenants who pay money to a user or renter of the Convention Center.

Mr. Cooper indicated the ordinance provides for the Council to set a maximum tax rate to be imposed which can be lowered each year through adoption of the annual budget ordinance. Finally, the ordinance has an effective date of July 1, 1990 or 90 days after its adoption, whichever date is later. Additional staff information available at the meeting were 1) a memo from Don Carlson dated October 31, 1989 titled "Implementation of Metro Excise Tax" (see Attachment 1 to this report); and 2) a memo from Don Carlson and Ray Phelps dated February 2, 1990 titled "Actual and Projected Revenue and Expenditures for Proposed General Government and Support Service Funds--FY 1988-89 to FY 1992-93" (see Attachment 2 to this report).

At the February 20, 1990 meeting six citizens testified generally in opposition to the proposed tax and requested that the Council refer the ordinance to the voters of the District for approval or disapproval. Committee members discussed the proposed ordinance

and several possible amendments including one to include a voter referral clause (Councilor Wyers) and another to expand the tax to include use of the City ERC facilities and dedicate the revenue raised to the Metro E-R Commission (Councilor Collier). Councilor Hansen requested information be prepared regarding potential election dates and the cost of District elections.

At the March 1, 1990 Committee meeting General Counsel Cooper presented the staff report. He reiterated comments made at the earlier committee meeting and explained several amendments proposed by him to clarify and correct errors contained in the original draft. (See Cooper letter dated February 22, 1990 attached as Attachment 3). Additional staff information available to the Committee included 1) memo from Don Carlson and Ray Phelps dated February 26, 1990 titled "Impact of Proposed Excise Tax" (see Attachment 4) and 2) a memo from Don Carlson dated February 27, 1990 titled "Possible Election Dates and Costs of Excise Tax Election" (see Attachment 5).

At the March 1, 1990 meeting six citizens appeared in support of the proposed tax. For the most part they were supporters of the Metro Park and Natural Area planning program and requested imposition of the tax to raise revenue for the District's planning programs. The Committee received one letter from a supporter of the tax who could not appear at the hearing in person (see letter included as Attachment 6). One citizen re-appeared in opposition of the tax and requested that the Council refer the ordinance to the voters of the District.

Also, appearing at the hearing was Mr. Merle Irvine, Wastech, who requested an amendment to exempt users of franchised material recovery and recycling centers from paying the tax. The operator of such center would have to pay the tax on residue waste from such centers which is disposed of in the District's system (see letter included as Attachment 7). Finally, Mitzi Scott and Dominic Buffetta from the Metro E-R Commission appeared to ask questions about the impact of the proposed tax on the Metro E-R Commission facilities.

The Committee deliberated on the proposed ordinance and adopted the following amendments:

- 1) all the proposed amendments suggested by General Counsel Cooper to clarify and correct errors;
- 2) the amendment (slightly revised) proposed by Merle Irvine exempting franchised material recovery and recycling centers; and

Finance Committee Report
March 5, 1990
Page 3

- 3) inclusion of 6 percent as the maximum rate of the excise tax to be imposed on the specified users of District services and facilities.

The Committee rejected Councilor Wyers proposed amendment to refer the ordinance to the voters of the District on a four to one vote. Councilor Wyers served notice of a possible Minority Report on Ordinance No. 90-333.

DEC:gpwb
a:\90-333.mem

attachments


METRO

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

Memorandum

DATE: October 31, 1989

TO: Council Finance Committee

FROM: Donald E. Carlson, *DEC* Council Administrator

RE: Implementation of Metro Excise Tax

The purpose of this memo is to discuss the implementation of the excise tax enabling legislation approved by the 1989 Legislative Assembly. Attached as Exhibit A is Chapter 332, Oregon laws 1989, which authorizes the District to enact such a tax. An analysis of Chapter 332 and its implementation is provided as follows:

A. Legislative Intent. Section 2 provides that:

"It is the intent of the Legislative Assembly that a substantial portion of the revenues derived by the....district from the imposition of excise taxes shall be used to reduce overhead charges assessed to and transferred from the operating funds of the district for its central executive, legislative and administrative functions."

It appears that this legislative intent should be met if the Council follows its adopted policy for the use of the revenue derived from imposition of an excise tax. Resolution No. 84-444 adopted by the Council on January 26, 1984 established a set of financial policies to be used as a guide for reaching financial stability for the District. The policies regarding the current General Fund functions are as follows:

- "1. General Government and mandated services shall have an external source of revenue to cover their direct costs and to pay their share of support services.
2. When specific funds are identified for general government and mandated services, interfund transfers shall no longer be used to support these activities.
3. The support services functions of the General Fund shall be totally financed from all Operating funds on the basis of actual use."

In the context of the current General Fund, "General Government and Mandated Services" were defined as those functions or activities that are required merely as a result of the District's legal existence. The statute requires that there be an Executive Officer, a Council made up of twelve members and that there be elections to select these elected officials. General Government and Mandated Services include the direct costs for the Executive Officer (Executive Management Department), the

Metro Council (Council Department) and candidate election costs (currently budgeted in the Finance and Administration Department). "Support Services" were defined as those functions which provide support to the Operating Departments of the District. Included as support services are the Office of General Counsel, Finance and Administrative Department and the Public Affairs Department. Other support service costs include the Building Management Fund and the Insurance Fund, both of which are managed centrally by the Finance and Administration Department.

A picture of the current funding system and proposed funding system (according to Resolution No. 84-444) is shown in Exhibit B attached. As indicated, currently the General Fund has no external source of revenue, but rather is funded from transfers from the other operating funds. Under the proposed system, only the Support Services would be funded from the interfund transfer system. The General Government activities of the District would be funded from proceeds of the new excise tax. Based on the current FY 1989-90 General Fund budget if the Council adopted policy were implemented (split the fund into a General Government Fund and a Support Services Fund), the amount of costs to be paid for through the interfund transfer system would be reduced from \$4,313,357 to approximately \$3,160,458. The reduction of \$1,152,899 consists of the following costs:

Executive Management Department	\$ 481,977
Council Department	450,922
Elections Cost	120,000
Contingency	<u>100,000</u>
	\$1,152,899

B. Use of Excise Tax Revenue. Section 3 provides that the revenue derived from an excise tax may be used as follows:

"(1) To carry out the executive, legislative and administrative powers, functions and duties of the district described in this chapter and to study the potential exercise of all powers and functions specified in ORS 268.312....."

It appears that the above language is broad enough to allow revenue from an excise tax to be used for any function that the District has authority to provide. The revenue could be used for the executive, legislative or administrative activities of the Zoo, Solid Waste, Planning or MERC functions of the District. In addition, revenue from an excise tax may be used to study the provisions of future functions of the District as defined in ORS 268.312. This is an important addition to the Metro statute, because ORS 268.312 authorizes the District to: a) provide water supply services; b) coordinate human services; c) provide park and open space services; d) provide jail facilities and justice system programs; and, f) provide library activities; all subject to the prior approval of the voters. The statute provides that "prior approval of the voters" can be any specific funding measure approved by the voters

to fund the facility or program. This new provision makes it clear that work done by the District to prepare plans and strategies for the provision of the above functions may be undertaken without having to have prior approval of the District voters. There is another list of functions for which the revenue could be used to study. ORS 268.310 lists potential new functions, including sewerage disposal, drainage and public transportation. Two existing planning and development programs which might receive funds from an excise tax under the above authorization are the water policy work and the Regional Park and Natural Areas Planning Study. The Council might want to revise its Long Range Financial Policies to indicate that program planning and development work such as the water and parks study will be funded from excise tax revenue and that when a specific program for a new activity is developed it will be submitted to the voters for appropriate funding. With such a policy change, the excise tax would not only fund general government/mandated services, but also the program development aspect of potential new functions.

C. Imposition of the Tax. Section 3 defines who can be taxed as follows:

"...a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district."

The most logical application of such taxing authority is on those functions for which people pay directly for services provided by the District. Included in this category are functions such as the Zoo, Solid Waste Disposal and the Convention Center.

Excise Tax on Zoo Services. It appears that there are two relatively easy points at which to collect an excise tax on Zoo services--1) at the admission gate and 2) at the food or gift shop counters.

Based on FY 1988-89 attendance counts (see Exhibit C), there were 748,207 persons who paid to attend the Zoo including 455,222 adults, 298,845 seniors, 188,181 youths and 74,959 in the group category. Based on the past system of raising Zoo admission rates at increments of \$.50 (adult) and \$.25 (senior/youth), an excise tax on Zoo admissions would provide the following annual revenue:

<u>CATEGORY</u>	<u>PAID ATTENDANCE</u>	<u>TAX RATE</u>	<u>TAX YIELD</u>
Adult	455,222	\$.50/ticket	\$227,611
Senior	298,845	.25/ticket	74,711
Youth	188,181	.25/ticket	47,045
Group	<u>74,959</u>	.25/ticket	<u>18,740</u>
TOTAL	748,207		\$368,107

The current admission rates at the Zoo are \$3.00 for adults and \$1.50 for seniors/youths. The proposed five year financial plan assumes a rate increase on January 1, 1990, of \$.50 per adult and \$.25 per senior/youth and a similar increase on January 1, 1992.

Other potential sources of excise tax revenue at the Zoo are taxes on the sale of food, retail merchandise and railroad rides. Based on FY 1988-89 actual gross revenue for these items (see Exhibit D), the following annual revenue would be produced from a 5% excise tax:

<u>CATEGORY</u>	<u>GROSS REVENUE</u>	<u>TAX RATES</u>	<u>TAX YIELD</u>
Food Service	\$1,704,957	5%	\$ 85,248
Retail Merchandise	516,317	5%	25,816
Railroad Rides	<u>383,002</u>	5%	<u>19,150</u>
TOTAL	\$2,604,276		\$130,214

Excise Tax on Solid Waste Disposal Services. The Solid Waste Disposal system offers convenient places to collect an excise tax on solid waste disposal services. The tax could be levied in an amount per ton and incorporated into the total "tip fee" charged at various disposal facilities. Exhibit E provides information on annual waste flows to disposal facilities which handle solid waste for the District. The facilities which are located within the District are the St. Johns Landfill, the Metro South, East and West Transfer Stations, the Forest Grove Transfer Station, the Compost Facility, the East County Recycling Facility and the Oregon Processing and Recycling Center (OPRC). The facilities located outside the District are the Hillsboro and Grabhorn limited purpose landfills and the Hillsboro reload facility which is used to transport waste to the Riverbend Landfill in Yamhill County. The total amount of waste to be deposited at all facilities is estimated to increase from 1,110,643 tons in 1990 to 1,479,119 tons in 2010. There are questions about levying an excise tax at certain facilities. The questions are: 1) whether or not the District can levy the tax at facilities outside of the District since it does not "own", "operate" or "franchise" the facilities, and 2) whether or not such a tax should be assessed at the recycling facilities since a rate break is provided at those facilities as an inducement for use of the facility.

Exhibit F shows the potential yield of revenue resulting from a variety of potential excise tax rates on solid waste disposal. Two schedules are shown--yield from a tax on use of all facilities serving the region and the yield from a tax on use of selected facilities (in District facilities except OPRC and East County Recycling). The Schedules show that the yield is approximately 25% lower when the out-of-district and recycling facilities are eliminated.

Excise Tax on Convention Center Services. The use of the Convention Center by a variety of renters provides opportunities to levy an excise tax. A lack of actual operating history with the development of a

COUNCIL FINANCE COMMITTEE

October 31, 1989

Page 5

revenue flow makes it difficult to ascertain where to levy a tax or project the potential revenues. The Convention Center is currently being booked according to a variety of rate schedules developed by the MERC. Included are:

Schedule 1	Conventions
Schedule 2	Conventions with Exhibits and Trade Shows
Schedule 3	Non-Convention Meetings
Schedule 4	Consumer Trade Shows
Schedule 5	Commercial Entertainment
Unnumbered	Meeting Room Schedule
Unnumbered	Ballroom Schedule

Attached as Exhibit G are two of the above named schedules which show rental of space on a flat rate basis (conventions) or show rental of space on a percentage of ticket sales (consumer trade shows). Until there is more history on the actual use of the facility with more information on revenue generated from the various uses, it appears that further exploration of the use of this facility as a revenue source is premature.

D. Effective Date of Tax. Section 3 provides that:

"(2) An ordinance imposing or increasing an excise tax shall not be effective until the 90th day after the date of adoption by the district."

The purpose of the delayed effective date is to allow interested persons to refer such an ordinance to the voters of the district. Chapter 328 Oregon Laws 1989 changed the signature requirements for such referrals from 10% of the district votes cast for Governor at the last election to 4%. Based on the revised signature requirements, it would take approximately 16,000 valid signatures to refer such an ordinance (see Exhibit H). ORS 268.360(2) provides that an ordinance referred to the voters shall become inoperative until it has been approved by the voters. If such a petition were successful, the ordinance would be placed before district voters at the next State-wide primary or general election unless the Council calls a special election.

If such an excise tax ordinance were adopted in early 1990 and the matter was referred by the voters, the election would likely take place at the November general election. It is unlikely that the filing requirements could be met for having the election at the May primary.

E. Limitation on the Amount of the Tax. Section 4 provides a limitation on the amount of revenue that can be raised from the excise tax authority as follows:

"The total revenues from all excise taxes imposed by a district ...shall not exceed in any fiscal year six percent of the gross revenues collected or received by the district during the fiscal year."

As indicated in Exhibit I, the gross revenue received or collected by the District for FY 1988-89 was \$65,331,057. This amount does not include Fund Balances or Interfund Transfers. Applying the statutory 6% limitation, the District could have collected up to \$3,919,863 during FY 1988-89 from excise taxes. It should be pointed out that the major operating funds - Zoo, Solid Waste, Planning and MERC - along with the Convention Center Debt Fund will provide a base which will likely exceed \$50 million per year and will in fact grow as new facilities are brought on line. It is safe to project that the excise tax revenue limitation will not fall below \$3,000,000 per year. The limitation will be substantially higher for years in which bond proceeds for major capital projects are received.

F. Issues for Consideration. The following are several issues or questions which need to be resolved prior to the development of a specific excise tax ordinance. There may be others as the Committee begins to deliberate on this matter.

1. For what purpose shall the excise tax revenue be spent? Adopted Council policy suggests "General Government/Mandated Services" be funded from excise tax revenue. What should be included in the definition of "General Government/Mandated Services"--Council and Executive Management Departments, election costs, Boundary Commission and NARC dues? Should the costs of the General Counsel Department be included in the definition of "General Government"? Should planning activities such as the Parks' program and water policy analysis program be funded out of excise tax revenue?
2. How much revenue should be raised by an excise tax or taxes? The answer to this question depends to a great degree on the answers to the questions in No. 1 above. Council staff is currently preparing projections of potential costs for the General Government Fund from the period starting with FY 1988-89 actual costs to FY 1992-93 projected costs. This information should be completed in draft form in approximately two weeks. Two scenarios are being explored, one with a General Government Fund which includes the Council and Executive Management Departments and another which adds the Office of General Counsel.
3. Are there any limitations on persons or facilities which can be taxed? As indicated above, in some instances solid waste generated within the District is delivered to facilities located outside of the District. Can the tax be levied on persons who use facilities located outside of the District? If so, how would the tax be collected?
4. Who should pay the tax? The statute authorizes a tax on persons using District facilities or functions. Should

the tax be levied on persons using only the Zoo, solid waste facilities or the Convention Center, or on any combination of these alternatives? What are the criteria that are important in making this decision; i.e., ability to pay, yield of tax per effort to levy, equity considerations, etc?

5. How specific must the ordinance be in imposing the tax or taxes? Must the ordinance imposing the tax specify the function or service to be taxed and the rate of the tax to be paid or, as an alternate, may the ordinance generally identify the services or functions to be taxed with the amount of the tax determined at a later date through the Budget ordinance? If the latter alternate is possible, would the Budget ordinance be subject to a referendum?
6. When should the tax be implemented? In the memo above it is anticipated that the tax would be implemented to receive revenues for FY 1990-91 (starting 7/1/90). Other considerations include the timing of fee setting for specific functions. For instance, the Zoo admission fee increases have traditionally occurred at the start of a calendar year during low attendance periods. It might be appropriate to implement a Zoo admission tax at the same time. The solid waste rates are projected to be set at or near the beginning of the fiscal year (July 1) and again it makes sense to coordinate any tax on users of the solid waste systems with the annual rate setting process. This would avoid multiple changes in local franchises since each time Metro adjusts disposal rates local haulers usually request local government franchise changes to pass the costs on to local customers.

DEC:aeb
cc: Metro Council
Rena Cusma
Ray Phelps

OREGON CONVENTION CENTER
1111 S. W. BROADWAY - PORTLAND, OREGON 97205
(503) 274-6555

RATE SCHEDULE IV
CONSUMER TRADE SHOWS

Effective 1/1/88 through 12/31/91

EXHIBIT HALLS	SQUARE FOOTAGE	MINIMUM DAILY RENT
A-1, A-2, B	30,000 per hall	\$1,500 vs. 15% Gross Ticket Sales
A-1, A-2 or A-2, B or C	60,000	\$3,000 vs. 15% Gross Ticket Sales
A-1, A-2, B or B & C	90,000	\$4,500 vs. 15% Gross Ticket Sales
A2, B & C	120,000	\$6,000 vs. 15% Gross Ticket Sales
TOTAL EXHIBIT SPACE	150,000	\$7,500 vs. 15% Gross Ticket Sales

RENTAL RATE

The stated rental rates are based on a minimum charge for each hall or 15% of gross box office receipts, whichever is greater per day.

NET SQUARE FOOTAGE

Net square feet is defined as total display area less aisle space and food service areas. Aisle space shall not exceed ten (10) feet in width without approval of the General Manager. The OCC shall have the option to exclude complimentary space not to exceed five (5) percent of area used in determining net square footage.

When the OCC food and Beverage Department is permitted by the convention or trade show to provide an area for food service within the gross exhibit floor area, the space so used will not be computed as part of the square footage occupied by Lessee.

INGRESS - EGRESS

Ingress-Egress time is computed on a one-for-one basis with show days, with a maximum of two (2) total complimentary days. After two (2) days, rate is one-half daily rental fee.

SERVICES AND FACILITIES INCLUDED IN RENTAL:

- Registration space (Pre-function Area) shall be provided to the Lessee at no additional charge based upon availability.
- Show Office shall be provided to the Lessee at no additional charge based upon availability.
- Exhibit hall public address system is provided with a microphone. Additional equipment or personnel shall be charged to the Lessee at the prevailing rate.
- House lighting, ventilation, heat or air conditioning is provided during show hours. In recognition of the need to conserve energy, a minimum level of comfort will be maintained during move in/move out.

EVENT REQUIREMENTS AND STAFFING:

The OCC shall provide all event related staff at the Lessee's expense. All event requirements must be approved by the OCC management at least fourteen (14) days prior to the beginning of the term of Lease.

OREGON CONVENTION CENTER
 1111 S.W. BROADWAY - PORTLAND, OREGON 97205
 (503) 274-6555

**RATE SCHEDULE 1
 CONVENTIONS**

Effective 1/1/88 through 12/31/91

EXHIBIT HALL	SQUARE FEET	MINIMUM DAILY RENTAL	MOVE-IN / MOVE-OUT
A-1, A-2, B	30,000 per hall	\$1,200 per hall	\$600 each per day
A-1, A-2 or A-2, B or C	60,000	\$2,400	\$1,200
A-1, A-2 and B or B & C	90,000	\$3,600	\$1,800
A-2, B & C	120,000	\$4,800	\$2,400
Total Exhibit Space	150,000	6,000	3,000
BALLROOM			
Section 1	6,300	\$650	
Section 2	6,300	\$650	
Section 3	6,300	\$650	
Section 4	6,300	\$650	
Entire Ballroom	25,200	\$2,600	

SERVICES AND FACILITIES INCLUDED IN RENTAL:

- Registration space (pre-function area) shall be provided to the Lessee at no additional charge based upon availability.
- Show Office shall be provided to Lessee at no additional charge based upon availability.
- Exhibit hall public address system is provided with a microphone. Additional equipment or personnel shall be charged to the Lessee at the prevailing rate.
- House lighting, ventilation, heat or air conditioning is provided during show hours. In recognition of the need to conserve energy, a minimum level of comfort will be maintained during move-in/move-out.

MEETING ROOMS:

Meeting room space shall be provided at no charge under the following conditions:

- Meeting room shall be assigned by the OCC.
- The amount of meeting space provided at no charge shall be directly proportional to the amount of exhibit space used in the facility. Additional meeting space shall be charged at the daily rate.
- Meeting rooms used as an exhibit area shall be charged at the daily rate.
- Rooms shall be arranged in theatre, classroom, conference, banquet or reception style once per day. Equipment provided within the limits of the OCC inventory. Costs for changes, additional equipment or personnel shall be charged to the Lessee at the prevailing costs.
- Meeting rooms shall be used for purposes directly related to conventions or trade shows.
- Meeting rooms shall not be assigned nor sublet to others.

EVENT REQUIREMENTS AND STAFFING:

The OCC shall provide all event-related staff at the Lessee's expense. All event requirements must be approved by the OCC management at least fourteen (14) days prior to the beginning of the term of Lease.

EXHIBIT F

PROJECTED ANNUAL YIELD OF SOLID WASTE EXCISE TAX REVENUE

ALL FACILITIES

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
PROJECTED TONS	1,110,643	1,104,282	1,100,626	1,111,244	1,114,340
TAX YIELD @					
1.00/Ton	\$1,110,643	\$1,104,282	\$1,100,626	\$1,111,244	\$1,144,340
1.50/Ton	\$1,665,965	\$1,656,423	\$1,650,939	\$1,666,866	\$1,671,510
2.00/Ton	\$2,221,286	\$2,208,564	\$2,201,252	\$2,222,488	\$2,228,680
2.50/Ton	\$2,776,608	\$2,760,705	\$2,751,565	\$2,778,110	\$2,785,850
3.00/Ton	\$3,331,929	\$3,312,846	\$3,301,878	\$3,333,732	\$3,343,020
3.50/Ton	\$3,887,251	\$3,864,987	\$3,852,191	\$3,889,354	\$3,900,190
4.00/Ton	\$4,442,572	\$4,417,128	\$4,402,504	\$4,444,976	\$4,457,360

SELECTED FACILITIES*

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
PROJECTED TONS	842,933	817,191	821,849	833,094	836,816
TAX YIELD @					
1.00/Ton	\$ 842,933	\$ 817,191	\$ 821,849	\$ 833,094	\$ 836,816
1.50/Ton	\$1,264,400	\$1,225,787	\$1,232,774	\$1,249,641	\$1,255,224
2.00/Ton	\$1,685,866	\$1,634,382	\$1,643,698	\$1,666,188	\$1,673,632
2.50/Ton	\$2,107,333	\$2,042,978	\$2,054,623	\$2,082,735	\$2,092,040
3.00/Ton	\$2,528,799	\$2,451,573	\$2,465,547	\$2,499,282	\$2,510,448
3.50/Ton	\$2,950,266	\$2,860,169	\$2,876,472	\$2,915,829	\$2,928,856
4.00/Ton	\$3,371,732	\$3,268,764	\$3,287,396	\$3,332,376	\$3,447,264

* Excludes out-of-district facilities and 78% of waste deposited at OPRC and 50% of waste deposited at East County Recycling (approximately 22% of OPRC waste and 70% of East County Recycling waste is deposited at disposal facilities).

ESTIMATED WASTE FLOWS DELIVERED TO TRI-COUNTY FACILITIES: WITH INCREASES IN RECYCLING

YEAR	ST JOHNS LANDFILL	METRO SOUTH	HILLSBORO LANDFILL *	GRABHORN (LAKESIDE) * LANDFILL	FOREST GROVE	HILLSBORO RELOAD * FACILITY	EAST **COUNTY RECYCLING	OPRC **	COMPOST FACILITY	METRO EAST	METRO WEST	GRAND TOTAL
1990	422,175	342,888	126,160	63,928	55,727	14,401	12,010	73,354	0	0	0	1,110,643
1991	33,913	235,608	126,550	67,005	54,661	14,136	11,780	94,243	135,121	331,263	0	1,104,282
1992	0	228,378	121,405	66,700	52,984	13,703	11,419	91,351	169,000	345,666	0	1,100,628
1993	0	224,730	121,939	66,993	52,137	13,484	11,236	89,892	166,300	241,149	123,384	1,111,244
1994	0	221,115	122,461	67,280	51,299	13,267	11,056	88,446	163,625	252,228	123,564	1,114,340
1995	0	217,466	0	67,639	50,452	13,048	10,873	86,986	160,925	258,708	249,464	1,115,460
1996	0	214,696	0	68,059	49,809	12,882	10,735	85,878	158,875	270,622	250,869	1,122,426
1997	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	283,664	325,107	1,139,550
1998	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	299,045	331,711	1,161,535
1999	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	314,917	338,279	1,183,976
2000	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	331,118	345,260	1,207,157
2001	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	347,655	353,481	1,231,915
2002	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	364,534	361,872	1,257,185
2003	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	381,717	370,483	1,282,979
2004	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	399,300	379,227	1,309,306
2005	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	417,247	388,153	1,336,179
2006	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	435,667	397,262	1,363,608
2007	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	453,718	407,107	1,391,604
2008	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	472,792	416,609	1,420,180
2009	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	492,262	426,307	1,449,348
2010	0	213,851	0	0	49,614	12,831	10,693	85,541	158,250	512,133	436,207	1,479,119

*Facility located outside of District boundary.

**Recycling facility at which rate break has been given to induce flow of recyclables to facility.

OCTOBER 05, 1989

REPORT 460-300

METROPOLITAN SERVICE DISTRICT

PAGE 1

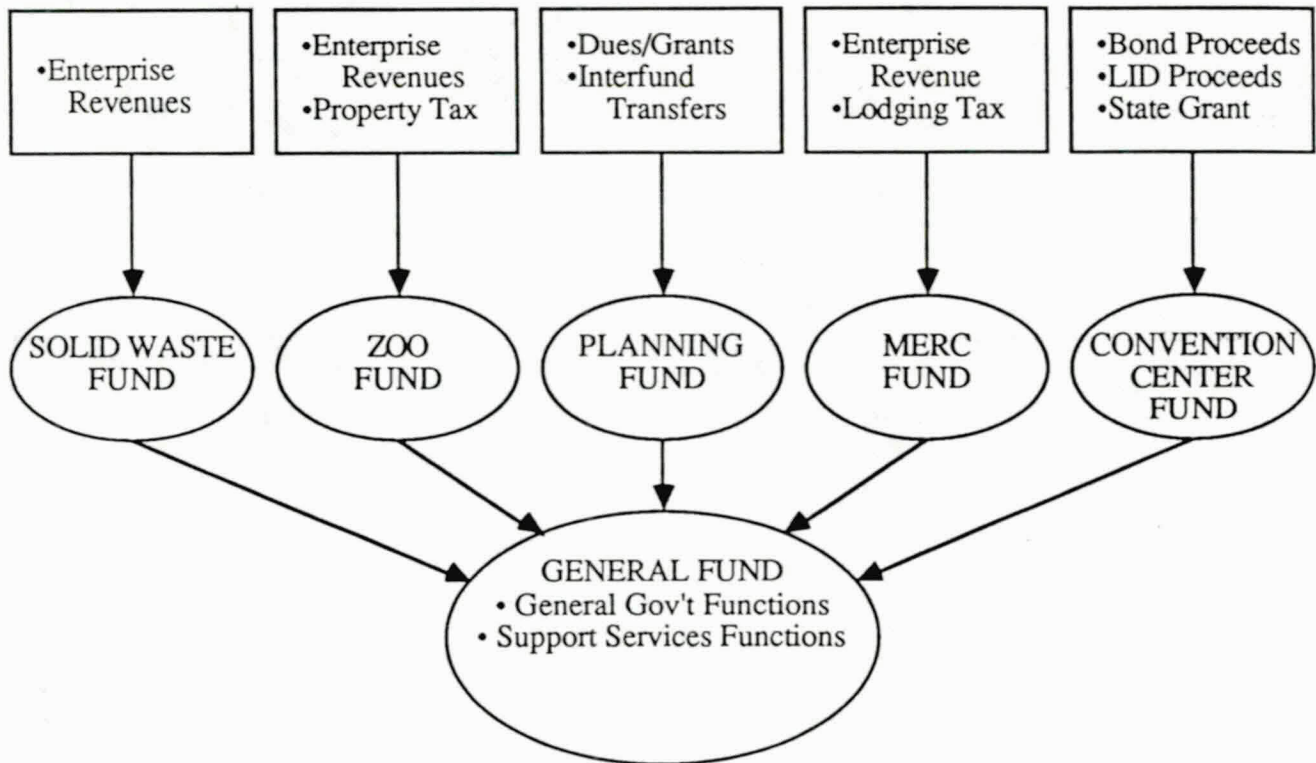
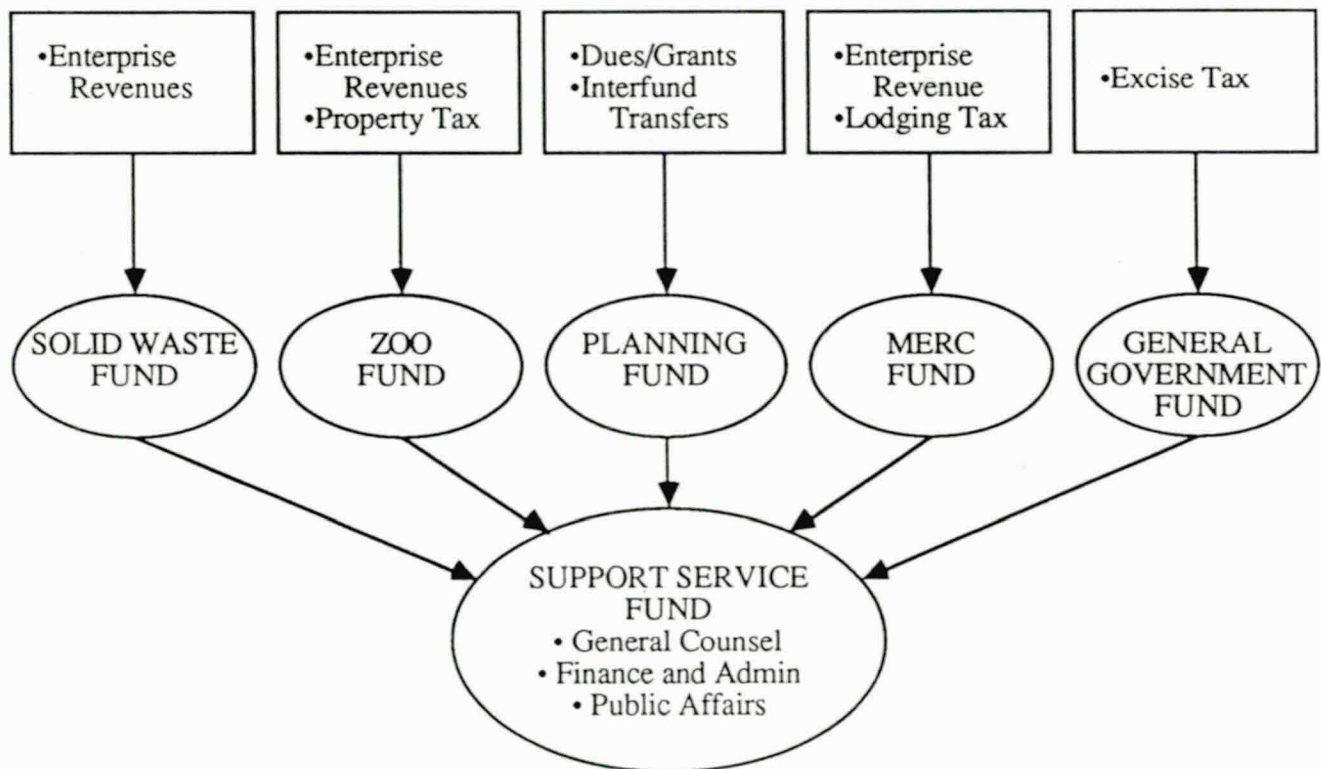
FUND ACCOUNTING INFORMATION SYSTEM

ZOO REVENUE LINE-ITEM SUMMARY - JUNE 30, 1989

OBJECT	TITLE	FUND	120 ZOO OPERATING FUND	PRIOR YEAR REVENUE	CURR Y-T-D BUDGET	CURR M-T-D REVENUE	CURR Y-T-D REVENUE	NET REMAINING	% REMAINING
DIVISION 221XXX METRO WASHINGTON PARK ZOO									
30500X	FUND BALANCE - RESOURCE			1,846,819.00	1,906,995.00	0.00	0.00	1,906,995.00	100.00
31111X	REAL PROPERTY TAXES - CURRENT YEAR			5,091,353.00	5,005,000.00	312,388.42	5,023,328.83	18,328.83-	0.37-
31112X	REAL PROPERTY TAXES - PRIOR YEARS			361,100.00	500,000.00	38,203.53	378,776.78	121,223.22	24.24
31810X	IN LIEU OF PROPERTY TAXES			0.00	0.00	10,142.53	19,078.44	19,078.44-	<<<<<<
31911X	INT & PEN - DELINQ REAL PROPERTY TA			103,526.00	0.00	65,596.66	79,079.50	79,079.50-	<<<<<<
33111X	FEDERAL GRANTS - OPER/CATAGORICAL/D			77,020.00	0.00	0.00	0.00	0.00	0.00
33121X	FED GRANTS - OPER/NONCATAGORICAL/DI			0.00	25,000.00	0.00	1,855.97	23,144.03	92.58
34710X	ADMISSION FEES			1,515,004.00	1,716,467.00	322,619.10	1,816,946.59	100,479.59-	5.85-
34721X	RENTAL FEES - CONVEYANCES			19,874.00	18,590.00	6,289.21	30,036.60	11,446.60-	61.57-
34722X	RENTAL FEES - BUILDINGS			160.00	0.00	48.01	610.00	610.00-	<<<<<<
34731X	FOOD SERVICE REVENUE - REGULAR			1,318,375.00	1,330,570.00	268,093.66	1,704,956.76	374,386.76-	28.14-
34740X	RETAIL SALES			423,624.00	397,802.00	74,610.92	516,316.87	118,514.87-	29.79-
34741X	RETAIL SALES - VENDING			40.00	0.00	0.00	21.70	21.70-	<<<<<<
34790X	MISCELLANEOUS OTHER REVENUE			9,196.00	10,000.00	700.00	1,900.00	8,100.00	81.00
34791X	MISC REVENUE - TUITION AND LECTURES			47,917.00	67,500.00	14,326.75	114,406.75	46,906.75-	69.49-
34792X	MISC REVENUE - EXHIBIT SHOWS/ZOO			11,705.00	12,000.00	700.00	12,800.00	800.00-	6.67-
34793X	MISC REVENUE - RAILROAD RIDES			346,591.00	357,200.00	72,808.43	383,002.13	25,802.13-	7.22-
36110X	INTEREST ON INVESTMENTS			128,681.00	77,852.00	74,545.95	165,001.87	87,149.87-	111.94-
36510X	DONATIONS & BEQUESTS - GENERAL			90,893.00	90,000.00	5,509.53	157,953.52	67,953.52-	75.50-
36520X	ZOO PARENTS			34,279.00	33,800.00	6,610.96	33,165.82	634.18	1.88
37120X	CASH SHORTAGES			0.00	0.00	42.54-	2,048.11-	2,048.11	<<<<<<
37310X	CHARGE CARD DISCOUNTS			0.00	0.00	791.63-	1,767.25-	1,767.25	<<<<<<
37330X	CASH DISCOUNTS EARNED			0.00	0.00	0.00	1,032.30	1,032.30-	<<<<<<
37900X	OTHER MISCELLANEOUS REVENUES			41,839.00	42,000.00	348.24-	11,282.62	30,717.38	73.14
38110X	SALE OF GENERAL FIXED ASSETS			4,576.00	4,000.00	0.00	0.00	4,000.00	100.00
TOTAL: DIVISION 221XXX				11,472,572.00	11,594,776.00	1,272,011.25	10,447,737.69	1,147,038.31	9.89
TOTAL: FUND 120				11,472,572.00	11,594,776.00	1,272,011.25	10,447,737.69	1,147,038.31	9.89

WASHINGTON PARK ZOO - METRO
ATTENDANCE AND VISITOR SERVICES REVENUE FOR THE MONTH OF JUN89

DATE	DAY	CONDITIONS	TEMP	ATTENDANCE					FOZ	FREE	TOTAL
				PAID	ADULT	SENIOR	YOUTH	GROUP			
06/01/89	THU	SUNNY	85	5279	1817	148	407	2907	361	116	5756
06/02/89	FRI	SUNNY	82	5485	1333	112	500	3540	346	255	6086
06/03/89	SAT	SUNNY	89	5024	3414	155	1384	71	684	441	6149
06/04/89	SUN	SUNNY	89	4356	3111	152	1093	0	736	241	5333
06/05/89	MON	SUNNY	89	2334	927	101	294	1012	256	70	2660
06/06/89	TUE	SUNNY	71	4115	827	133	371	2784	255	2552	6922
06/07/89	WED	SUNNY	76	3361	1269	163	491	1438	318	107	3786
06/08/89	THU	OVERCAST	71	4267	1069	173	505	2520	303	109	4679
06/09/89	FRI	OVERCAST	74	5269	2061	213	597	2398	346	161	5776
06/10/89	SAT	SUNNY	81	5150	3574	205	1371	0	657	509	6316
06/11/89	SUN	OVERCAST	66	4840	3493	189	1158	0	754	201	5795
06/12/89	MON	OVERCAST	66	3330	1444	158	511	1217	418	75	3823
06/13/89	TUE	OVERCAST	75	3505	1073	173	572	1687	338	3060	6903
06/14/89	WED	RAIN, JAZZ	63	2220	833	87	395	905	249	98	2567
06/15/89	THU	OVERCAST, BLUE	65	3004	1504	139	606	755	456	86	3546
06/16/89	FRI	OVERCAST	67	4274	2220	259	1204	591	602	232	5108
06/17/89	SAT	OVERCAST	69	4645	3164	182	1299	0	703	300	5648
06/18/89	SUN	OVERCAST	72	4444	3166	210	1068	0	853	210	5507
06/19/89	MON	MIXED	63	2254	1270	83	570	331	200	57	2511
06/20/89	TUE	OVERCAST	72	2162	1292	153	649	68	364	4213	6739
06/21/89	WED	SUNNY, JAZZ	77	5609	3864	303	1240	202	899	286	6794
06/22/89	THU	SUNNY, BLUE	84	4910	3119	306	1273	212	966	240	6116
06/23/89	FRI	SUNNY	84	3725	2233	192	1228	72	493	210	4428
06/24/89	SAT	SUNNY	96	5071	3379	227	1453	12	767	425	6263
06/25/89	SUN	SUNNY	89	4287	3123	164	1000	0	632	173	5092
06/26/89	MON	OVERCAST	71	2955	1783	189	945	38	589	183	3727
06/27/89	TUE	OVERCAST	68	2634	1497	201	927	9	392	6363	9389
06/28/89	WED	OVERCAST, JAZZ	67	3761	2427	250	1029	55	695	213	4669
06/29/89	THU	RAIN, BLUE	61	1071	684	136	251	0	282	36	1389
06/30/89	FRI	RAIN	65	7378	3058	259	3603	458	614	141	8133
06/30/89	FOZ		0	0	0	0	0	0	0	0	0
Month-end This Year				120719	64028	5415	27994	23282	15528	21363	157610
Month-end Last Year				98876	57356	3874	21293	16353	9475	13299	121650
Year-to-date This Year				748207	455222	29845	188181	74959	111258	143948	1003413
Year-to-date Last Year				692140	428476	28265	171817	63582	73036	127045	892221

CURRENT FUNDING SYSTEMPROPOSED FUNDING SYSTEM

CHAPTER 332

AN ACT

SB 213

Relating to metropolitan service districts.
Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 4 of this Act are added to and made a part of ORS chapter 268.

SECTION 2. It is the intent of the Legislative Assembly that a substantial portion of the revenues derived by the metropolitan service district from the imposition of excise taxes shall be used to reduce overhead charges assessed to and transferred from the operating funds of the district for its central executive, legislative and administrative functions.

SECTION 3. (1) To carry out the executive, legislative and administrative powers, functions and

duties of the district described in this chapter and to study the potential exercise of all the powers and functions specified in ORS 268.312, a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district.

(2) An ordinance imposing or increasing an excise tax shall not become effective until the 90th day after the date of adoption by the district.

SECTION 4. The total revenues from all excise taxes imposed by a district under section 3 of this 1989 Act shall not exceed in any fiscal year six percent of the gross revenues collected or received by the district during the fiscal year.

Approved by the Governor June 13, 1989

Filed in the office of Secretary of State June 13, 1989



METRO

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

EXHIBIT H

May 30, 1989

Ms. Cory Streisinger
Legal Counsel
Office of the Governor
State Capitol
Salem, OR 97310

Re: Enrolled Senate Bill 260 (Initiative and
Referendum)

Dear Ms. Streisinger:

Senate Bill 260 reduces the percentages of signatures necessary for Metropolitan Service District initiatives or referenda to 6 percent and 4 percent respectively. The bill also makes similar reductions for Tri-Met and the Port of Portland.

The Task Force on Metropolitan Government realized that, due to the size of the Metropolitan Service District, the current percentages of 15 for an initiative and 10 for a referendum correspond in numbers to nearly the same requirements for a statewide initiative or referendum.

By reducing those percentages to 6 and 4 respectively, the requirements will be the same as those imposed on county governments. If Metro is granted the authority to levy user charges on its facilities (SB 213), these lower signature requirements make it more realistic for citizens to refer any such user charge. The current signature requirement for a referendum petition is approximately 40,000. Under Senate Bill 260, this requirement would drop to about 16,000.

The bill passed the Senate February 3 by a vote of 29-0. The measure was approved by the House by a vote of 58 to 1.

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Sharron Kelley
Deputy Presiding
Officer
District 7

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Judy Wyers
District 8

Tanya Collier
District 9

Roger Buchanan
District 10

David Knowles
District 11

Gary Hansen
District 12

Cory Streisinger
May 30, 1989
Page Two

Should you or the Governor have any questions or concerns regarding the bill, please contact me at 363-3474 or 378-9800.

Thank you.

Sincerely,

Greg McMurdo
Government Relations Manager

cc: Senator Glenn Otto
Metro Legislative Task Force

EXHIBIT I

CURRENT REVENUE* BY FUND

(FY 1988-89)

General Fund	\$ 202,253
Building Fund	182,945
Insurance Fund	105,657
Zoo Operations Fund	10,447,738
Zoo Capital Fund	889,050
Solid Waste Operating Fund	25,945,161
Solid Waste Capital Fund	140,987
St. John's Reserve Fund	363,702
St. John's Rehab. & Enhanc. Fund	111,906
Planning Fund	1,889,999
CC Management Fund	78,172
CC Capital Fund	16,308,123
CC Debt fund	5,921,863
MERC Fund	<u>2,743,501</u>
	\$65,331,057

* Excludes Fund Balance which is carried over from prior years and Interfund Transfers.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5396
503/221-1646

Memorandum

DATE: February 2, 1990

TO: Finance Committee

FROM: Donald E. Carlson, ^{DE} Council Administrator
Ray Phelps, Director of Finance and Administration ^{RP}

RE: Actual and Projected Revenue and Expenditures for
Proposed General Government and Support Service
Funds - FY 1988-89 to FY 1992-93

The purpose of this memo is to provide actual and projected revenue and expenditures for the proposed General Government and Support Services Funds. This information is in support of the current discussion on the purpose and amount of a potential excise tax or taxes.

MAJOR ASSUMPTIONS

The major assumptions used in making these projections are as follows:

- A. An inflation factor of 8% for FY 1990-91 and 5% for FY 1991-92 and FY 1992-93 was applied to Personal Services Costs.
- B. An inflation factor of 4% was applied to selected Material and Services and Capital Outlay costs for each of three projected fiscal years (1990-91 to 1992-93). No inflation factor was applied to certain accounts in these categories if it appeared that the expenditure was of a non-recurring nature.
- C. Certain costs were transferred from the Finance and Administration Department for the projected fiscal years to either the Council or Executive Management budgets. Examples are election costs, Boundary Commission and NARC dues.
- D. Additional positions (FTE) were built into the expenditure plans for both the General Government Fund and Support Service Funds. The increases are included for planning purposes and are not intended to imply a commitment on the part of the Executive Officer or Council. Requests for new positions must still be sought and justified through the regular budget process.
- E. The projected transfer from the Convention Center Funds

(Project Management and Capital) to the Support Services Fund has been reduced for the projected FY 1990-91 and eliminated for projected FYs 1991-92 and 1992-93 in recognition that the project is to be completed in early FY 1990-91.

PROPOSED GENERAL GOVERNMENT FUND EXPENDITURE AND REVENUE PROJECTIONS

Table 1 provides the actual and projected expenditures for the proposed General Government Fund. Included in this fund are the Council Department and the Executive Management Department.

Highlights of the various expenditure categories are as follows:

- o Council Department - As indicated in Exhibit A, Council Department expenditures are projected to increase from a budgeted \$473,962 in FY 1989-90 to \$603,040 in FY 1990-91. In addition to inflationary increases, the primary added expenditures include the addition of one analyst position; Council election costs (\$50,000); and an increase in funds for the performance audit program (\$10,000).
- o Executive Management Department - The total costs in the Executive Management Department are projected to decrease in FY 1990-91 from the current budgeted amount. The primary reason for the decrease is the reduction of the two water policy positions (1.85 FTE) which were budgeted during the current fiscal year on a one year basis. Projected expenditures for NARC and Boundary Commission dues are included annually in this budget (\$16,000). It should be noted that the total projected Department expenditure decreases again in FY 1991-92 because of the elimination of potential election expense (\$50,000).
- o Transfers - The total transfers to other funds from the proposed General Government Fund are projected to increase substantially over the estimated current budget level. The biggest projected increases are in the transfer to the proposed Support Service Fund for central support services and the proposed transfer to the Planning Fund for discretionary planning activities. The projected transfer to the Support Services Fund in FY 1990-91 is based on a rate of approximately 50% of the salary costs of the proposed General Government Fund. The projected increases in years thereafter are based on the same ratio of the General Government Fund costs to the other operating funds.

The transfer to the Insurance Fund is based on one-half of

the current General Fund transfer to the Insurance Fund (the other one-half is budgeted in the proposed Support Services Fund). The transfer to the Building Fund is based on the square footage of office space assigned to the Council and Executive Management Departments (includes the Council Chamber) and the projected costs of the Building Fund.

The projected transfer of \$500,000 to the Planning Fund is a rough estimate of an amount to fund all or part of the existing Planning and Development Department activities such as the Regional Park and Natural Area program, the Water Policy program and the Urban Growth Management program. This amount could increase depending on the level of projected needs in the Planning Fund and whether or not the Council opts to reduce the level of the Local Government dues assessment and replace the lost Planning revenue with excise tax revenue.

- o Contingency and Unappropriated Balance - The projected Contingency for the proposed General Government Fund is \$100,000. This amounts to approximately 5% of fund operating costs (Council, Executive Management and Transfers). The Unappropriated Balance varies from \$171,282 in FY 1990-91 to \$18,011 in FY 1992-93. The Unappropriated Balance is higher in the beginning and lower at the end because the excise tax revenue projections (see Table 2) are flat over the three year period.

Table 2 provides the actual and projected revenue for the proposed General Government Fund. It shows the transition from funding this activity area by transfers from the District's operating funds to utilization of the excise tax proceeds as the principal funding source. The Fund Balance projections are based on the total of the prior year Contingency and Unappropriated Balance categories (see Table 1). Interest income is projected at a lower level than is currently experienced in the General Fund since excise tax revenues are likely to be received on a monthly basis, thus the proposed General Government Fund will not experience significant positive cash balances each month.

The projected level of excise tax revenue (\$2,000,000) is based on the expenditure plan shown in Table 1. As indicated earlier, the amount of the tax needed could increase based on the level of projected expenditures not only in the General Government Fund, but in the Planning Fund. Later in this memo is a discussion on the potential sources of excise tax revenue at four different levels of need--\$2,000,000, \$2,500,000, \$2,750,000 and \$3,000,000.

PROPOSED SUPPORT SERVICE FUND EXPENDITURE AND REVENUE PROJECTIONS

Table 3 provides the actual and projected expenditures for the proposed Support Service Fund. As indicated, the departments included in this fund are General Counsel, Finance and Administration, and Public Affairs. The projections include an increase of 8.5 FTE in the total funds as well as a related increase in Materials and Services and Capital Outlay categories. The detail of these projected increase are shown in Attachment 1 to this report. The projections also reflect the transfer of election costs and Boundary Commission dues to the Executive Management Department in the General Government Fund.

Table 4 provides the actual and projected revenues for the proposed Support Services Fund. As indicated in the table, the Support Services Fund is projected to be funded entirely out of transfers from the operating funds of the District based upon an annual cost allocation plan. No Fund Balance or Interest Earnings are projected, because it is assumed that transfers will be made on a monthly basis as expenditures are incurred.

The projected transfers are based on the current cost allocation plan with the following exceptions: 1) the amount of the General Government Fund transfer for FY 1990-91 is estimated at 50% of the salary costs of the General Government Fund; and 2) the amount of the MERC transfer was adjusted upward to reflect added operations responsibilities of the MERC, and the Convention Center Project office transfers are adjusted downward to reflect approximately six months of activity during the next fiscal year. The relative proportions of the transfers are as follows:

<u>FUND</u>	<u>PERCENT</u>	
	<u>1990-91</u>	<u>1991-93</u>
Zoo Operating	.17185	.19241
Planning	.17942	.19712
SW Operating	.40057	.42184
MERC	.07500	.09015
Convention Center	.07468	0
General Government	<u>.09848</u>	<u>.09848</u>
TOTAL	1.00000	1.00000

CURRENT GENERAL FUND EXPENDITURE AND REVENUE PROJECTIONS

In order to provide a comparison between the proposed funding system and the current funding system, financial information on current General Fund is included in this memo. Table 5 provides

the actual and projected expenditures for the current General Fund. As indicated, the General Fund includes the Council, Executive Management, General Counsel, Finance and Administration, and Public Affairs Departments. The actual and projected expenditures are based on the combination of information in Tables 1 (General Government Fund Expenditures) and Table 2 (Support Services Fund Expenditures). The only exception is that the two water policy positions budgeted in the Executive Management Department during the current fiscal year plus an appropriate amount for related materials and services are continued in that department for FY 1990-91 through FY 1992-93. The amounts projected for the water policy work are \$104,881 for FY 1990-91, \$109,624 for FY 1991-92 and \$115,606 for FY 1992-93.

Table 6 provides the actual and projected revenues for the current General Fund. As indicated, the principal source of revenue are transfers from the District's operating funds. For the projected years (FY 1990-91 through FY 1992-93), these include the Zoo Operating, Planning, Solid Waste Operating and MERC funds. The assumption for the projected transfer amounts are based on the current cost allocation plan except that the MERC has been adjusted upward to reflect increasing operational responsibilities. The same percentage factor was used for the MERC transfer as was used for the proposed Support Service Fund (Table 4). The relative proportions of the transfers are as follows:

<u>FUND</u>	<u>PERCENT</u>	
	<u>1990-91</u>	<u>1991-93</u>
Zoo Operating	.19435	.20796
Planning	.20291	.20796
SW Operating	.45305	.48477
MERC	.07500	.09015
Convention Center	.07469	<u>0</u>
TOTAL	1.00000	1.00000

COMPARISON OF TRANSFERS TO GENERAL FUND AND SUPPORT SERVICES FUND

Table 7 provides a comparison of projected transfer costs to the operating funds between the current system and the proposed system. As is expected, the transfer costs to the operating funds are lower under the proposed system because of two reasons: 1) the allocable costs are smaller because the direct costs of the proposed General Government Fund are funded by the excise tax; and 2) there is an additional operating fund (the General Government Fund) paying its proportionate share of the Support Service Fund costs.

POTENTIAL EXCISE TAX SOURCES

Table 8 provides a preliminary analysis of potential sources of excise tax revenue. Based on earlier discussions with the Finance Committee, the potential sources cover all functions of the District. The table shows the percentage tax rate required to raise \$2,000,000 (4.30%); \$2,500,000 (5.37%); \$2,750,000 (5.91%); and \$3,000,000 (6.45%). The potential revenue sources do not include users to the City of Portland Exposition and Recreation facilities (Coliseum, Civic Stadium and Performing Arts Center) and payments from other governmental agencies, unless the governmental agencies use the solid waste system, the services of the Convention Center or the services of the Zoo. The FY 1989-90 adopted budget is used for revenue estimates in most instances. The tip fee revenue for solid waste is based on next year's tonnage forecasts, but has not been adjusted for potential rate changes now under consideration.

DEC:aeb
Attach.
cc: Rena Cusma, Executive Officer

A:\FIN0130.MEM

TABLE 1

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
COUNCIL					
Personal Services	\$270,068	\$319,762	\$383,334	\$402,506	\$422,627
(FTE)	(6.66)	(7.30)	(8.30)	(8.30)	(8.30)
Material & Svcs.	\$76,713	\$149,500	\$215,206	\$222,312	\$237,082
Capital Outlay	\$4,829	\$4,700	\$4,500	\$4,000	\$4,000
	-----	-----	-----	-----	-----
Subtotal	\$351,610	\$473,962	\$603,040	\$628,818	\$663,709
EXECUTIVE MANAGEMENT					
Personal Services	\$310,650	\$463,529	\$399,698	\$415,158	\$431,392
(FTE)	(6.60)	(8.85)	(7.00)	(7.00)	(7.00)
Material & Svcs.	\$64,429	\$66,305	\$97,300	\$49,800	\$53,000
Capital Outlay	\$4,823	\$8,574	\$4,000	\$4,000	\$4,000
	-----	-----	-----	-----	-----
Subtotal	\$379,902	\$538,408	\$500,998	\$468,958	\$488,392
TRANSFERS					
Support Svc. Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
Insurance Fund	\$6,290	\$16,867	\$17,000	\$17,500	\$18,000
Building Fund	\$63,719	\$74,721	\$88,860	\$99,294	\$102,028
Planning Fund	\$50,709	\$37,612	\$500,000	\$500,000	\$475,000
	-----	-----	-----	-----	-----
Subtotal	\$120,718	\$129,200	\$950,153	\$973,966	\$967,428
CONTINGENCY	\$0	\$50,000	\$100,000	\$100,000	\$100,000
UNAPPROP. BALANCE	\$182,118	\$93,077	\$171,282	\$114,540	\$18,011
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,237,540
(FTE)	(13.26)	(16.15)	(15.3)	(15.3)	(15.3)

TABLE 2

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$99,738	\$180,143	\$310,473 *	\$271,282	\$214,540
Interest	\$50,874	\$34,038	\$15,000	\$15,000	\$15,000
Trans Zoo Oper Fund	\$204,843	\$193,355	\$0	\$0	\$0
Trans Planning Fund	\$137,822	\$229,467	\$0	\$0	\$0
Trans SW Oper Fund	\$321,997	\$443,400	\$0	\$0	\$0
Trans MERC Fund	\$38,477	\$30,370	\$0	\$0	\$0
Trans Conv Ctr Fund	\$176,190	\$153,874	\$0	\$0	\$0
Excise Tax	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
All Other	\$4,407	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,229,540

* Entire projected fund balance for prior General Fund.

TABLE 3

 ACTUAL AND PROJECTED SUPPORT SERVICES FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
GENERAL COUNSEL					
Personal Services	\$199,764	\$253,022	\$341,160	\$357,533	\$374,695
(FTE)	(4.40)	(4.25)	(6.25)	(6.25)	(6.25)
Material & Svcs.	\$9,046	\$23,039	\$20,300	\$21,650	\$22,950
Capital Outlay	\$6,237	\$2,412	\$11,500	\$2,000	\$2,000
	-----	-----	-----	-----	-----
Subtotal	\$215,047	\$278,473	\$372,960	\$381,183	\$399,645
FINANCE & ADMIN.					
Personal Services	\$1,064,473	\$1,279,954	\$1,504,230	\$1,580,598	\$1,660,655
(FTE)	(27.63)	(29.50)	(35.00)	(35.00)	(35.00)
Material & Svcs.	\$751,248	\$806,856	\$756,204	\$778,908	\$800,800
Capital Outlay	\$25,799	\$62,575	\$53,500	\$30,000	\$30,000
	-----	-----	-----	-----	-----
Subtotal	\$1,841,520	\$2,149,385	\$2,313,934	\$2,389,506	\$2,491,455
PUBLIC AFFAIRS					
Personal Services	\$372,240	\$422,207	\$484,595	\$508,538	\$533,668
(FTE)	(11.25)	(10.75)	(11.75)	(11.75)	(11.75)
Material & Svcs.	\$67,473	\$68,167	\$70,314	\$73,858	\$77,476
Capital Outlay	\$6,546	\$650	\$500	\$500	\$500
	-----	-----	-----	-----	-----
Subtotal	\$446,259	\$491,024	\$555,409	\$582,896	\$611,644
TRANSFERS					
Building Fund	\$116,008	\$136,039	\$161,768	\$180,763	\$185,739
Insurance Fund	\$6,290	\$16,866	\$17,000	\$17,500	\$18,000
	-----	-----	-----	-----	-----
Subtotal	\$122,298	\$152,905	\$178,768	\$198,263	\$203,739
CONTINGENCY	\$0	\$50,000	\$75,000	\$75,000	\$75,000
UNAPPROP. BALANCE	\$469,985	\$117,396	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$3,095,109	\$3,239,183	\$3,496,071	\$3,626,848	\$3,781,483
(FTE)	(43.23)	(44.50)	(53.00)	(53.00)	(53.00)

TABLE 4

 ACTUAL AND PROJECTED SUPPORT SERVICE FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$298,448	\$471,960	\$0	\$0	\$0
Interest	\$152,231	\$89,177	\$0	\$0	\$0
Trans Zoo Oper Fund	\$612,960	\$506,572	\$600,800	\$697,842	\$727,595
Trans Planning Fund	\$412,408	\$501,268	\$627,230	\$714,924	\$745,406
Trans SW Oper Fund	\$963,521	\$1,188,134	\$1,400,421	\$1,529,950	\$1,595,181
Trans MERC Fund	\$115,135	\$79,566	\$262,205	\$326,960	\$340,901
Trans Conv Ctr Fund	\$527,220	\$403,136	\$261,122	\$0	\$0
Trans Gen Govt Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
All Other	\$13,186	\$0	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$3,095,109	\$3,239,813	\$3,496,071	\$3,626,848	\$3,781,483

TABLE 5

 ACTUAL AND PROJECTED GENERAL FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

EXPENDITURES	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
Council (FTE)	\$351,610 (6.66)	\$473,962 (7.30)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
Exec. Management (FTE)	\$379,902 (6.60)	\$538,408 (8.85)	\$605,879 (9.00)	\$578,582 (9.00)	\$603,998 (9.00)
General Counsel (FTE)	\$215,047 (4.40)	\$278,473 (4.25)	\$372,960 (6.25)	\$381,183 (6.25)	\$399,645 (6.25)
Finance & Admin. (FTE)	\$1,841,520 (27.63)	\$2,149,385 (29.50)	\$2,313,934 (35.00)	\$2,389,506 (35.00)	\$2,491,455 (35.00)
Public Affairs (FTE)	\$446,259 (11.25)	\$491,024 (10.75)	\$555,409 (11.75)	\$582,896 (11.75)	\$611,644 (11.75)
Subtotal	\$3,234,338	\$3,931,252	\$4,451,222	\$4,560,985	\$4,770,451
TRANSFERS					
Building Fund	\$179,727	\$210,760	\$250,628	\$280,057	\$287,767
Insurance Fund	\$12,580	\$33,733	\$34,000	\$35,000	\$36,000
Planning Fund	\$50,709	\$37,612	\$35,000	\$35,000	\$35,000
Subtotal	\$243,016	\$282,105	\$319,628	\$350,057	\$358,767
CONTINGENCY	\$0	\$100,000	\$175,000	\$175,000	\$175,000
UNAPPROP. BALANCE	\$652,103	\$211,103	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES (FTE)	\$4,129,457 (56.54)	\$4,524,460 (60.65)	\$4,945,850 (70.3)	\$5,086,042 (70.3)	\$5,304,218 (70.3)

TABLE 6

 ACTUAL AND PROJECTED GENERAL FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$398,186	\$652,103 *	\$311,103	\$175,000	\$175,000
Interest	\$203,105	\$123,215	\$150,000	\$125,000	\$125,000
Trans Zoo Oper Fund	\$817,803	\$699,927	\$871,611	\$995,305	\$1,040,677
Trans Planning Fund	\$550,230	\$730,735	\$910,000	\$1,039,145	\$1,086,516
Trans SW Oper Fund	\$1,285,518	\$1,631,534	\$2,031,815	\$2,320,130	\$2,425,895
Trans MERC Fund	\$153,612	\$109,936	\$336,356	\$431,462	\$451,130
Trans Conv Ctr Fund	\$703,410	\$557,010	\$334,965	\$0	\$0
All Other	\$17,593	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$4,129,457	\$4,524,460	\$4,945,850	\$5,086,042	\$5,304,218

* Actual beginning balance per audit.

TABLE 7

COMPARISON OF OPERATING TRANSFERS FOR
GENERAL FUND AND SUPPORT SERVICES FUND

	FY 1990-91 PROJECTED	FY 1991-92 PROJECTED	FY 1992-93 PROJECTED	TOTAL PROJECTED	ANNUAL PROJECTED AVERAGE
ZOO OPERATING FUND					
General Fund	\$871,611	\$995,305	\$1,040,677	\$2,907,593	\$969,198
Support Service Fund	\$600,800	\$697,842	\$727,595	\$2,026,237	\$675,412
Difference	(\$270,811)	(\$297,463)	(\$313,082)	(\$881,356)	(\$293,786)
PLANNING FUND					
General Fund	\$910,000	\$1,039,145	\$1,086,516	\$3,035,661	\$1,011,887
Support Service Fund	\$627,230	\$714,924	\$745,406	\$2,087,560	\$695,853
Difference	(\$282,770)	(\$324,221)	(\$341,110)	(\$948,101)	(\$316,034)
SW OPERATING FUND					
General Fund	\$2,031,815	\$2,320,130	\$2,425,895	\$6,777,840	\$2,259,280
Support Service Fund	\$1,400,421	\$1,529,950	\$1,595,181	\$4,525,552	\$1,508,517
Difference	(\$631,394)	(\$790,180)	(\$830,714)	(\$2,252,288)	(\$750,763)
MERC FUND					
General Fund	\$336,356	\$431,462	\$451,130	\$1,218,948	\$406,316
Support Service Fund	\$262,205	\$326,960	\$340,901	\$930,066	\$310,022
Difference	(\$74,151)	(\$104,502)	(\$110,229)	(\$288,882)	(\$96,294)
GENERAL GOVNM'T FUND					
General Fund	\$0	\$0	\$0	\$0	\$0
Support Service Fund	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955
Difference	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955

TABLE 8

PRELIMINARY ANALYSIS OF EXCISE TAX ALTERNATIVES

TOTAL REVENUE REQUIRED		\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
PERCENT EXCISE TAX REQUIRED		4.30%	5.37%	5.91%	6.45%
REVENUE	Budget	Potential	Potential	Potential	Potential
	FY 1989-90	Tax Revenue	Tax Revenue	Tax Revenue	Tax Revenue
GENERAL FUND					
339200 Contract Services	\$0	\$0	\$0	\$0	\$0
341500 Documents & Publications	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0
BUILDING MANAGEMENT					
347220 Sublease Income	\$166,589	\$7,163	\$8,954	\$9,849	\$10,745
374000 Parking Fees	\$50,995	\$2,193	\$2,741	\$3,015	\$3,289
Subtotal	\$217,584	\$9,356	\$11,695	\$12,864	\$14,034
ZOO					
347100 Admissions	\$2,105,870	\$90,550	\$113,188	\$124,506	\$135,825
347210 Rental-Conveyances	\$29,100	\$1,251	\$1,564	\$1,720	\$1,877
347220 Rentals-Building	\$0	\$0	\$0	\$0	\$0
347311 Food Service-Regular/Food	\$1,492,300	\$64,167	\$80,209	\$88,230	\$96,251
347312 Food Service-Regular/Beer & Wine	\$52,000	\$2,236	\$2,795	\$3,074	\$3,354
347321 Food Service-Catering/Food	\$170,000	\$7,310	\$9,137	\$10,051	\$10,965
347322 Food Service-Catering/Beer & Wine	\$22,000	\$946	\$1,182	\$1,301	\$1,419
347400 Retail Sales	\$452,200	\$19,444	\$24,305	\$26,736	\$29,166
347410 Retail Sales-Vending	\$32,300	\$1,389	\$1,736	\$1,910	\$2,083
347910 Tuition & Lectures	\$94,854	\$4,079	\$5,098	\$5,608	\$6,118
347920 Exhibit Shows/Zoo	\$12,000	\$516	\$645	\$709	\$774
347930 Railroad Rides	\$378,300	\$16,266	\$20,333	\$22,366	\$24,400
Subtotal	\$4,840,924	\$208,154	\$260,193	\$286,212	\$312,231

Solid Waste

341500 Documents & Publications	\$2,120	\$91	\$114	\$125	\$137
3431XX Tip Fee	\$40,234,288	\$1,730,029	\$2,162,536	\$2,378,790	\$2,595,044
343180 Special Waste Fee	\$9,150	\$393	\$492	\$541	\$590
343200 Franchise Fee	\$1,500	\$64	\$81	\$89	\$97
343900 Tarp Sale	\$674	\$29	\$36	\$40	\$43
Subtotal	\$40,247,732	\$1,730,607	\$2,163,259	\$2,379,585	\$2,595,911

PLANNING FUND

339200 Contract Services (Private)	\$47,500	\$2,042	\$2,553	\$2,808	\$3,064
341310 UGB Fees	\$2,800	\$120	\$150	\$166	\$181
341500 Documents & Publications	\$17,500	\$752	\$941	\$1,035	\$1,129
341600 Conferences & Workshops	\$21,000	\$903	\$1,129	\$1,242	\$1,354
Subtotal	\$88,800	\$3,818	\$4,773	\$5,250	\$5,727

CONVENTION CENTER 90-91 EST. by L&H

Rentals	\$432,782	\$18,609	\$23,261	\$25,588	\$27,914
Concessions	\$201,965	\$8,684	\$10,855	\$11,941	\$13,026
Event Labor	\$126,295	\$5,431	\$6,788	\$7,467	\$8,146
Equipment Rental	\$45,182	\$1,943	\$2,428	\$2,671	\$2,914
Utility Service	\$171,075	\$7,356	\$9,195	\$10,115	\$11,034
Parking	\$140,507	\$6,042	\$7,552	\$8,307	\$9,062
Subtotal	\$1,117,806	\$48,064	\$60,080	\$66,089	\$72,097

TOTAL

\$46,512,846	\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
--------------	-------------	-------------	-------------	-------------

PROJECTED FY 1990-91 SUPPORT SERVICES FUND
COST INCREASES

Office of General Counsel

Secretary	\$ 23,530
Legal Counsel	45,015
Capital	<u>9,500</u>
	\$ 78,045

Finance & Administration

Accounting Clerk 2	\$ 25,945
Accounting Clerk 3	28,615
Data Entry Clerk	21,340
Administrative Assistant	30,050
Data Processing Operator	30,050
Capital	20,000
Materials & Services	<u>25,000</u>
	\$181,000

Personnel

Data Entry Clerk	\$ 21,340
Capital	<u>3,500</u>
	\$ 24,840

Public Affairs

Program Assistant 2	\$ 28,615
Capital	<u>7,500</u>
	\$ 36,115

TOTAL	9 FTE	\$320,000
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Assumptions

1. Capital costs are one time expenses.
2. Construction/Engineering Section costs are not budgeted in the Support Services Fund.
3. All positions hired at the beginning rate.
4. Personnel costs include salary and fringe.
5. Fringe rate at 35 percent.

JS/srs
js\misc\ssfund



METRO

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

ATTACHMENT 3

(Fin Comm. Report/rd. 90-333)

February 22, 1990

The Honorable George Van Bergen
Chair, Council Finance Committee
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Councilor Van Bergen:

Re: Ordinance No. 90-333-A (Excise Tax)

The purpose of this letter is to explain in detail the proposed revisions to Ordinance No. 90-333 that are set forth in Ordinance No. 90-333-A attached hereto. I recommend that the Finance Committee amend Ordinance No. 90-333 to incorporate the proposed revisions.

In general these revisions have been prepared to clarify the Ordinance and correct errors contained in the original version of Ordinance No. 90-333.

The original version of Ordinance No. 90-333 was modeled on a local government excise tax ordinance. The Ordinance as introduced contains certain internal inconsistencies resulting from the use of a "model" that does not exactly match Metro's situation. Some of the proposed revisions contained in Ordinance No. 90-333-A correct these inconsistencies. This category of corrections are marked as Type #1 corrections on the attached copy of Ordinance No. 90-333-A.

As introduced, Ordinance No. 90-333 required quarterly tax returns to be filed by operators of District facilities. Since solid waste disposal franchisees currently pay Metro's user fees on a monthly basis the Accounting Division and Solid Waste Department have recommended that excise taxes be paid on the same schedule. The revisions necessary to accomplish this are indicated as Type #2 revisions on the attached Ordinance.

The model used to prepare Ordinance No. 90-333 contemplated a different appeal and hearing process than the provisions currently set forth in the Metro Code. Revisions to amend the Ordinance to make the appeal and hearing process

Executive Officer
Rena Cusma

Metro Council

Tanya Collier
Presiding Officer
District 9

Gary Hansen
Deputy Presiding
Officer
District 12

Mike Ragsdale
District 1

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Ruth McFarland
District 7

Judy Wyers
District 8

Roger Buchanan
District 10

David Knowles
District 11

The Honorable George Van Bergen
February 22, 1990
Page 2

consistent with the existing Metro Code Contested Case procedures are marked at Type #3.

Finally, certain changes are recommended to clarify the meaning of the original version of Ordinance No. 90-333. These revisions are marked as Type #4.

I will be in attendance at the Finance Committee's scheduled meeting on March 1, 1990, to answer any questions the Committee may have.

Yours very truly,



Daniel B. Cooper,
General Counsel

gl
1054

Attachment



METRO

2000 S.W. First Avenue
Portland, OR 97201-5396
503/221-1646

Memorandum

DATE: February 26, 1990

TO: Council Finance Committee

FROM: Donald E. Carlson, Council Administrator *Del*
Raymond J. Phelps, Finance & Administration Director *RJP*

RE: Impact of Proposed Excise Tax

The purpose of this memo is to provide information on the impact of the proposed excise tax on the users of Metro facilities, services or functions. The data used in this analysis is taken from the initial two memos provided to the Committee: the first dated October 21, 1989 titled "Implementation of the Excise Tax" and the second dated February 2, 1990 titled "Actual and Projected Revenue and Expenditures for Proposed General Government and Support Service Funds -- FY 1988-89 to FY 1992-93"; and FY 1990-91 proposed budget revenue projections provided by the Finance and Administration Department (see Bob Ricks memo attached as Appendix A).

Table 1 provides a summary of the impact of the proposed tax on the users of Metro facilities and services for each of the next three years. The information is derived from data included in Exhibits 1 through 5 and Exhibits 1A through 5A attached. The Base Case is defined as expenditures and revenue for the costs of General Government activities (costs of Council and Executive Officer). Options A through D are the Base Case plus additional revenue and expenditures for several planning functions of the District (Option A assumes \$500,000 for planning and Option D assumed \$1,500,000 for planning). The costs show as a transfer to the Planning Fund in Exhibits 2 through 5.

The methodology used to analyze the impact on each functional area is as follows: first, the projected revenue to be derived from the proposed tax was added to the proposed transfer to the new Support Service Fund to obtain the total cost of the new excise tax system; second, the projected transfer to the General Fund necessary if the current transfer system were to continue was subtracted from the cost of the new excise tax system. If the resulting number is positive, then there would be an added cost to the function and users of the particular facility or service in question. If the resulting number is negative, then there would not be an added cost to the user of the service. A negative number means that the projected cost of the particular function or service would be less with the implementation of the tax, because of the reduction of the potential General Fund transfer cost.

As indicated in Table 1, implementation of the excise tax should not cause increases in costs to users of the Zoo, the Convention Center, and the planning activities of the District. Implementation of the tax will cause an added cost to users of the solid waste system.

Table 2 shows the impact of the excise tax on users of the solid waste system. Net costs to the system users increase on an annual average basis for three years from \$566,480 for the Base Case to \$1,886,660 for Option D (\$1,500,000 for Planning).

Table 2 shows the impact on users of the solid waste system for the various options. It includes the estimated impact on a cost per ton basis and the resulting estimated annual impact on a "typical" residential customer and a selected business. The "typical" residential customer is one which produces an average of 45 pounds of solid waste per week and the selected business customer is one which produces 2,000 pounds of solid waste per week. Table 2 shows that the cost per ton to users of the solid waste system will increase on an annual average basis over the next three years from \$.55/ton for the Base Case to \$1.83/ton for Option D. Annual average additional costs for the "typical" residence are estimated to range from \$.66 for the Base Case to \$2.20 for Option D. Annual average additional costs for the selected business are estimated to range from \$28.60 for the Base Case to \$95.16 for Option D.

DEC:aeb
Attachment

A:\EXCISE.MEM

TABLE 1

SUMMARY OF THE NET ADDED COST TO
USERS OF METRO FACILITIES AND SERVICES*

NET ADDED COST**	90-91	91-92	92-93	ANNUAL AVERAGE
SOLID WASTE				
BASE	\$516,034	\$579,940	\$603,467	\$566,480
OPTION A	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
OPTION B	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
OPTION C	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
OPTION D	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
ZOO				
BASE	(\$144,598)	(\$146,755)	(\$155,327)	(\$148,894)
OPTION A	(\$96,193)	(\$98,350)	(\$106,922)	(\$100,489)
OPTION B	(\$47,788)	(\$49,945)	(\$58,517)	(\$52,084)
OPTION C	(\$23,585)	(\$25,742)	(\$34,314)	(\$27,881)
OPTION D	\$617	(\$1,540)	(\$10,112)	(\$3,679)
PLANNING				
BASE	(\$280,958)	(\$322,057)	(\$338,845)	(\$313,954)
OPTION A	(\$280,263)	(\$321,362)	(\$338,150)	(\$313,259)
OPTION B	(\$279,568)	(\$320,667)	(\$337,455)	(\$312,564)
OPTION C	(\$279,221)	(\$320,320)	(\$337,108)	(\$312,217)
OPTION D	(\$278,873)	(\$319,972)	(\$336,760)	(\$311,869)
CON. CNTR/MERC				
BASE	(\$123,145)	(\$44,619)	(\$47,671)	(\$71,813)
OPTION A	(\$113,615)	(\$35,089)	(\$38,141)	(\$62,283)
OPTION B	(\$104,085)	(\$25,559)	(\$28,611)	(\$52,753)
OPTION C	(\$99,320)	(\$20,794)	(\$23,846)	(\$47,988)
OPTION D	(\$94,555)	(\$16,029)	(\$19,081)	(\$43,223)

* See attached Exhibits 1 through 5 and Exhibits 1A through 5A for the derivation of the above numbers.

** Net added cost is the difference between the combination of tax revenue and the projected transfer to the new Support Service Fund minus the projected transfer to the General Fund necessary if the tax is not implemented. A minus number means there will be a lower cost to the appropriate operating fund if the tax is implemented and no increased cost to users of the facility or services.

TABLE 2

IMPACT OF EXCISE TAX ON SOLID WASTE USERS

	90-91	91-92	92-93	ANNUAL AVERAGE
<u>NET ADDED COST</u>				
BASE	\$516,034	\$579,940	\$603,467	\$566,480
OPTION A	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
OPTION B	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
OPTION C	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
OPTION D	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
<u>COST/TON*</u>				
BASE	\$0.49	\$0.57	\$0.59	\$0.55
OPTION A	\$0.91	\$1.00	\$1.02	\$0.98
OPTION B	\$1.33	\$1.42	\$1.45	\$1.40
OPTION C	\$1.54	\$1.64	\$1.66	\$1.61
OPTION D	\$1.75	\$1.85	\$1.88	\$1.83
<u>ANNUAL COST TO TYPICAL RESIDENCE**</u>				
BASE	\$0.59	\$0.68	\$0.72	\$0.66
OPTION A	\$1.09	\$1.20	\$1.22	\$1.18
OPTION B	\$1.60	\$1.70	\$1.74	\$1.68
OPTION C	\$1.85	\$1.97	\$1.99	\$1.93
OPTION D	\$2.10	\$2.22	\$2.26	\$2.20
<u>ANNUAL COST TO SELECTED BUSINESS***</u>				
BASE	\$25.48	\$29.64	\$30.68	\$28.60
OPTION A	\$47.32	\$52.00	\$53.04	\$50.96
OPTION B	\$69.16	\$73.84	\$75.40	\$72.80
OPTION C	\$80.08	\$85.28	\$86.32	\$83.72
OPTION D	\$91.00	\$96.20	\$97.76	\$95.16

* Based on the following projected tonnages: 1,047,422 in 1990; 1,024,882 in 1991; 1,023,657 in 1992; and an annual average of 1,031,987.

** Estimated at \$.10 per month cost for each \$1.00 per ton (based on 45 pounds of solid waste disposed of per week).

Calculation: 45 lbs. x 52 = 2340 lbs. per year

2340 ÷ 2,000 = 1.17 tons

1.17 x \$1.00 = \$1.17

\$1.17 ÷ 12 = \$.0975 per month

*** Estimated at \$4.34 per month cost for each \$1.00 per ton (based on 2,000 pounds of solid waste disposed of per week).

Calculation: 2,000 lbs. x 52 = 104,000 lbs. per year

104,000 ÷ 2,000 = 52 tons

52 x 1.00 = \$52.00

\$52 ÷ 12 = \$4.34 per month

EXHIBIT 1

BASE CASE GENERAL GOVERNMENT

	90-91	91-92	92-93
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$0	\$0	\$0
SUB-TOTAL	\$450,153	\$473,966	\$492,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$1,629,191	\$1,646,742	\$1,719,529

	90-91	91-92	92-93
<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$1,303,718	\$1,556,742	\$1,629,529
TOTAL REVENUE	\$1,629,191	\$1,646,742	\$1,719,529

EXHIBIT 1A

COMPARISON OF COSTS TO USERS (BASE CASE)
 o EXCISE TAX SCENARIO
 o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$2,547,849	\$2,900,070	\$3,029,362	\$2,825,760
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$516,034	\$579,940	\$603,467	\$566,480

ZOO

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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$727,013	\$848,550	\$885,350	\$820,304
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$144,598)	(\$146,755)	(\$155,327)	(\$148,894)

PLANNING

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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$629,042	\$717,088	\$747,671	\$697,933
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$280,958)	(\$322,057)	(\$338,845)	(\$313,954)

CONV. CNTR/MERC

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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$548,176	\$386,843	\$403,459	\$446,158
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$123,145)	(\$44,619)	(\$47,671)	(\$71,813)

EXHIBIT 2

GENERAL GOVERNMENT AND PLANNING (Option A)

	90-91	91-92	92-93
EXPENDITURES			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$500,000	\$500,000	\$500,000
SUB-TOTAL	\$950,153	\$973,966	\$992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,129,191	\$2,146,742	\$2,219,529

	90-91	91-92	92-93
REVENUE			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$1,803,718	\$2,056,742	\$2,129,529
TOTAL REVENUE	\$2,129,191	\$2,146,742	\$2,219,529

EXHIBIT 2A

COMPARISON OF COSTS TO USERS (Planning Option A)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
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SOLID WASTE				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$440,060	\$440,060	\$440,060	\$440,060
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$2,987,909	\$3,340,130	\$3,469,422	\$3,265,820
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$956,094	\$1,020,000	\$1,043,527	\$1,006,540
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$48,405	\$48,405	\$48,405	\$48,405
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$775,418	\$896,955	\$933,755	\$868,709
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$96,193)	(\$98,350)	(\$106,922)	(\$100,489)
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PLANNING				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$695	\$695	\$695	\$695
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$629,737	\$717,783	\$748,366	\$698,628
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$280,263)	(\$321,362)	(\$338,150)	(\$313,259)
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CONV. CNTR/MERC				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$9,530	\$9,530	\$9,530	\$9,530
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$557,706	\$396,373	\$412,989	\$455,688
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$113,615)	(\$35,089)	(\$38,141)	(\$62,283)

EXHIBIT 3

GENERAL GOVERNMENT AND PLANNING (Option B)

	90-91	91-92	92-93
EXPENDITURES			
=====			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)

SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)

TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,000,000	\$1,000,000	\$1,000,000

SUB-TOTAL	\$1,450,153	\$1,473,966	\$1,492,428

CONTINGENCY	\$75,000	\$75,000	\$75,000
=====			
TOTAL EXPENDITURES	\$2,629,191	\$2,646,742	\$2,719,529

REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,303,718	\$2,556,742	\$2,629,529
=====			
TOTAL REVENUE	\$2,629,191	\$2,646,742	\$2,719,529

EXHIBIT 3A

COMPARISON OF COSTS TO USERS (Planning Option B)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
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SOLID WASTE				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$880,120	\$880,120	\$880,120	\$880,120
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,427,969	\$3,780,190	\$3,909,482	\$3,705,880
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,396,154	\$1,460,060	\$1,483,587	\$1,446,600
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$96,810	\$96,810	\$96,810	\$96,810
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$823,823	\$945,360	\$982,160	\$917,114
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$47,788)	(\$49,945)	(\$58,517)	(\$52,084)
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PLANNING				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$1,390	\$1,390	\$1,390	\$1,390
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,432	\$718,478	\$749,061	\$699,323
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,568)	(\$320,667)	(\$337,455)	(\$312,564)
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CONV. CNTR/MERC				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$19,060	\$19,060	\$19,060	\$19,060
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$567,236	\$405,903	\$422,519	\$465,218
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$104,085)	(\$25,559)	(\$28,611)	(\$52,753)

EXHIBIT 4

GENERAL GOVERNMENT AND PLANNING (Option C)

	<u>90-91</u>	<u>91-92</u>	<u>92-93</u>
<u>EXPENDITURES</u>			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,250,000	\$1,250,000	\$1,250,000
SUB-TOTAL	\$1,700,153	\$1,723,966	\$1,742,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,879,191	\$2,896,742	\$2,969,529

<u>REVENUE</u>			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,553,718	\$2,806,742	\$2,889,529
TOTAL REVENUE	\$2,879,191	\$2,896,742	\$2,979,529

EXHIBIT 4A

COMPARISON OF COSTS TO USERS (Planning Option C)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
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SOLID WASTE				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$1,100,150	\$1,100,150	\$1,100,150	\$1,100,150
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,647,999	\$4,000,220	\$4,129,512	\$3,925,910
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,616,184	\$1,680,090	\$1,703,617	\$1,666,630
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ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$121,013	\$121,013	\$121,013	\$121,013
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$848,026	\$969,563	\$1,006,363	\$941,317
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$23,585)	(\$25,742)	(\$34,314)	(\$27,881)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$1,737	\$1,737	\$1,737	\$1,737
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,779	\$718,825	\$749,408	\$699,670
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,221)	(\$320,320)	(\$337,108)	(\$312,217)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$23,825	\$23,825	\$23,825	\$23,825
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$572,001	\$410,668	\$427,284	\$469,983
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$99,320)	(\$20,794)	(\$23,846)	(\$47,988)

EXHIBIT 5

GENERAL GOVERNMENT AND PLANNING (Option D)

	90-91	91-92	92-93
EXPENDITURES			
=====			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,500,000	\$1,500,000	\$1,500,000
SUB-TOTAL	\$1,950,153	\$1,973,966	\$1,992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$3,129,191	\$3,146,742	\$3,219,529

REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX	\$2,803,718	\$3,056,742	\$3,129,529
TOTAL REVENUE	\$3,129,191	\$3,146,742	\$3,219,529

EXHIBIT 5A

COMPARISON OF COSTS TO USERS (Planning Option D)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,147,428	\$1,370,120	\$1,434,181	\$1,317,243
TAX REVENUE (Planning)	\$1,320,180	\$1,320,180	\$1,320,180	\$1,320,180
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,868,029	\$4,220,250	\$4,349,542	\$4,145,940
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,836,214	\$1,900,120	\$1,923,647	\$1,886,660
<hr/>				
ZOO				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$126,213	\$150,708	\$157,755	\$144,892
TAX REVENUE (Planning)	\$145,215	\$145,215	\$145,215	\$145,215
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$872,228	\$993,765	\$1,030,565	\$965,519
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	\$617	(\$1,540)	(\$10,112)	(\$3,679)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,812	\$2,164	\$2,265	\$2,080
TAX REVENUE (Planning)	\$2,085	\$2,085	\$2,085	\$2,085
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$631,127	\$719,173	\$749,756	\$700,018
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$278,873)	(\$319,972)	(\$336,760)	(\$311,869)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$24,849	\$29,671	\$31,059	\$28,526
TAX REVENUE (Planning)	\$28,590	\$28,590	\$28,590	\$28,590
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$576,766	\$415,433	\$432,049	\$474,748
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$94,555)	(\$16,029)	(\$19,081)	(\$43,223)

**METRO**

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

Memorandum

DATE: February 23, 1990

TO: Don Carlson, Council Administrator

FROM: *BR* Bob Ricks, Senior Management Analyst

TOPIC: Excise Tax

Ray informed me that the way the revenues have been input to the budget process, they are the total to be collected from the customers and include the excise tax, rather than the excise tax being on top of the revenue numbers. As a consequence, the tax rate necessary to raise a given level of excise tax revenue is:

$$R=T/(G-T)$$

where R is the excise tax rate required, T is the excise tax amount desired, and G is the gross income including the excise tax.

BR/

PRELIMINARY ANALYSIS OF EXCISE TAX ALTERNATIVES

TOTAL REVENUE REQUIRED		\$2,000,000	\$2,500,000	\$2,750,000	\$3,000,000
PERCENT EXCISE TAX REQUIRED		3.53%	4.45%	4.92%	5.39%
REVENUE	Budget	Potential	Potential	Potential	Potential
	FY 1990-91 Tax	Revenue	Tax Revenue	Tax Revenue	Tax Revenue
GENERAL FUND					
339200 Contract Services	\$0	\$0	\$0	\$0	\$0
341500 Documents & Publications	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0
BUILDING MANAGEMENT					
347220 Sublease Income	\$99,840	\$3,406	\$4,257	\$4,683	\$5,108
374000 Parking Fees	\$53,614	\$1,893	\$2,286	\$2,515	\$2,743
Subtotal	\$153,454	\$5,299	\$6,543	\$7,197	\$7,851
ZOO					
347100 Admissions	\$2,327,339	\$79,385	\$99,231	\$109,154	\$119,077
347210 Rental-Conveyances	\$39,400	\$1,344	\$1,680	\$1,848	\$2,016
347220 Rentals-Building	\$0	\$0	\$0	\$0	\$0
347311 Food Service-Regular/Food	\$1,870,465	\$63,801	\$79,751	\$87,726	\$95,702
347312 Food Service-Regular/Beer & Wine	\$52,000	\$1,774	\$2,217	\$2,439	\$2,661
347321 Food Service-Catering/Food	\$263,000	\$8,971	\$11,214	\$12,335	\$13,456
347322 Food Service-Catering/Beer & Wine	\$35,000	\$1,194	\$1,492	\$1,642	\$1,791
347400 Retail Sales	\$522,891	\$17,836	\$22,295	\$24,524	\$26,753
347410 Retail Sales-Vending	\$47,150	\$1,608	\$2,010	\$2,211	\$2,412
347910 Tuition & Lectures	\$112,197	\$3,827	\$4,784	\$5,262	\$5,741
347920 Exhibit Shows/Zoo	\$13,000	\$443	\$554	\$610	\$665
347930 Railroad Rides	\$394,000	\$13,439	\$16,799	\$18,479	\$20,159
Subtotal	\$5,676,442	\$193,622	\$242,027	\$266,230	\$290,433
Solid Waste					
341500 Documents & Publications	\$2,500	\$85	\$107	\$117	\$128
3431XX Tip Fee	\$51,303,220	\$1,749,938	\$2,187,423	\$2,406,165	\$2,624,907
343180 Special Waste Fee	\$292,600	\$9,981	\$12,476	\$13,723	\$14,971
343200 Franchise Fee	\$6,000	\$205	\$256	\$281	\$307
343900 Tarp Sale	\$800	\$27	\$34	\$38	\$41
Subtotal	\$51,605,120	\$1,760,236	\$2,200,295	\$2,420,324	\$2,640,354
PLANNING AND DEVELOPMENT FUND					
339200 Contract Services (Private)	\$0	\$0	\$0	\$0	\$0
341310 UGB Fees	\$1,500	\$51	\$64	\$70	\$77
341500 Documents & Publications	\$10,000	\$341	\$426	\$469	\$512
341600 Conferences & Workshops	\$20,000	\$682	\$853	\$938	\$1,023
Subtotal	\$31,500	\$1,074	\$1,343	\$1,477	\$1,612

TRANSPORTATION

339200 Contract Services (Private)	\$30,000	\$1,023	\$1,279	\$1,407	\$1,535
341500 Documents & Publications	\$20,000	\$682	\$853	\$938	\$1,023
341600 Conferences & Workshops	\$0	\$0	\$0	\$0	\$0

Subtotal	\$50,000	\$1,705	\$2,132	\$2,345	\$2,558
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CONVENTION CENTER 90-91 EST. by L&H

Rentals	\$432,782	\$14,762	\$18,453	\$20,298	\$22,143
Concessions	\$201,965	\$6,889	\$8,611	\$9,472	\$10,333
Event Labor	\$126,295	\$4,308	\$5,385	\$5,923	\$6,462
Equipment Rental	\$45,182	\$1,541	\$1,926	\$2,119	\$2,312
Utility Service	\$171,075	\$5,835	\$7,294	\$8,024	\$8,753
Parking	\$140,507	\$4,793	\$5,991	\$6,590	\$7,189

Subtotal	\$1,117,806	\$38,128	\$47,660	\$52,426	\$57,192
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TOTAL

\$58,634,322	\$2,000,065	\$2,500,000	\$2,750,000	\$3,000,000
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RSR EXCISE.WK1

25-Feb-90

**METRO**2000 S.W. First Avenue
Portland, OR 97201-5346
503/221-1646

Memorandum

DATE: February 27, 1990

TO: Finance Committee

FROM: Donald E. Carlson, Council Administrator

RE: Possible Election Dates and Costs of Excise Tax Election

This memo is prepared in response to Councilor Hansen's question at the February 20, 1990 meeting regarding the possible election dates in 1990 and the potential costs to the District of an excise tax election. ORS 255.345 sets the possible election dates for District elections as follows:

"...a special election called by the district election authority shall not be held on any date other than:

- (a) the fourth Tuesday in March;
- (b) the third Tuesday in May;
- (c) the last Tuesday in June;
- (d) the second Tuesday in August;
- (e) the third Tuesday in September; or
- (f) the first Tuesday after the first Monday in November."

Exhibit A attached shows possible election dates in 1990 for this issue. While the May 15, 1990 election date is listed, it is for all intents and purposes not available because of the March 15 filing deadline necessary for use of the Voter's Pamphlet and the assumption that the Council will not act on the Ordinance until its March 22, 1990 meeting. If the Council wishes to meet the objective of having the tax implemented for FY 1990-91 (July 1, 1990), then the only available election date is June 26, 1990.

Regarding the potential cost of an election, Exhibit B (part of a July 5, 1989 memo prepared for the Zoo levy) provides historical information on District election costs. As indicated, the District measures in the past have been for Zoo serial levies or tax base measures.

The March 1987 Zoo serial levy measure is highlighted because it is comparable to the potential June 26, 1990 special election date. The cost to the District of that election was \$56,042. It is difficult to estimate the cost to the District of a June 26, 1990 election because the costs vary based on the number of items on the ballot. Based on the information in Exhibit B, staff estimates an excise tax election's costs to range from \$60,000 to \$100,000 for the June 26, 1990 election.

DEC:aeb
Attachment

EXHIBIT A

POTENTIAL 1990 DISTRICT ELECTION DATES

<u>DATES</u>	<u>FILING REQUIREMENT DEADLINE</u>
May 15, 1990*	Not later than 61 days before election (March 15, 1990)
June 26, 1990	Not later than 34 days before election (May 23, 1990)
August 14, 1990	Not later than 43 days before election (July 2, 1990)
September 18, 1990	Not later than 34 days before election (August 15, 1990)
November 6, 1990*	Not later than 61 days before election (September 16, 1990). If measure is submitted at 9/18/90 election and fails, filing date for 11/6/90 election is not later than 43 days before election (September 24, 1990).

- * If Voter's Pamphlet is to be used, the filing date with the Secretary of State is not later than 70 days before the election and the measure must have cleared the period for filing a challenge to the ballot title. The ballot title challenge period commences with filing of the measure with the District Elections Officer and runs for 7 working days. Also, time should be provided for the Judicial Review. A conservative approach would be to file the measure with the District Elections Officer not later than 30 days before the Secretary of State filing deadline. For the November 6, 1990 election, the filing date with the Elections Officer should be no later than July 30, 1990.

A:\MEM0223.DEC

EXHIBIT B

A. Costs & Historical Trends

The March election (a special election) and the May ballot (a primary election) present different cost possibilities. Summarized below are District election costs beginning with FY79-80 -- no information is available on the first November 12, 1978 election for Metro representatives -- and March and May 1990 projections.

<u>ELECTION DATES</u>	<u>RACES/MEASURES</u>	<u>(FY)</u>	<u>COST/FUND</u>
<u>Past Elections</u>			
May, 1980	o Zoo Serial Levy o 6 Councilors	(79-80)	\$39,592 (Z)
Nov. 1980	o Metro Tax Base o No Councilors/Races Decided in May	(80-81)	\$36,716 (Z)
May, 1982	o Executive/6 Councilors	(81-82)	\$47,494 (GF)
Nov. 1982	o No Races	(82-83)	0
May, 1984	o Zoo Serial Levy o 6 Councilors	(83-84)	\$40,034 (Z) <u>21,807</u> (GF) \$61,841
Nov. 1984	o No Races	(84-85)	0
May, 1986	o Metro Tax Base o Executive/6 Councilors	(85-86)	\$72,767 (Z) <u>40,000</u> (GF) \$112,767
Nov. 1986	o Convention Ctr. Bonds o Executive/2 Councilors	(86-87)	\$56,232 (CCMF) <u>56,232</u> (GF) \$112,464
Mar. 1987	o Zoo Serial Levy	(86-87)	\$56,042 (Z)
May, 1988	o 6 Councilors	(87-88)	\$65,261 (GF)
Nov. 1988	o 2 Councilors	(88-89)	\$28,626 (GF)
<u>Potential Elections</u>			
Mar. 1990	o Zoo Levy	(89-90)	\$60,000 (Z)
May, 1990	o Zoo Levy, Executive, 6 Councilors	(89-90)	\$115,000 (Z/GF)
June 1990	o Zoo Levy	(89-90)	\$60,000 (Z)

LYNN SHARP

Environmental Consultant

10906 SE 54th PLACE • MILWAUKIE, OR 97222

503/654-7012

February 28, 1990

*For Submission
to the Council Finance
Committee,
March 1, 1990*

Jessica Marlitt
Metro Council
2000 SW First
Portland, OR 97201

RE: Proposed Excise Tax

As I am unable to attend your meeting, I am writing this letter to express my support for the proposed Excise Tax. The Portland Metropolitan Area is experiencing rapid population growth at this time, and this growth is expected to continue. Already the large green spaces in Lake Oswego, Beaverton, Washington County and North Clackamas County have disappeared or are slated for development. Already we have gridlock during rush hour on major streets. Unless Metro has the financial resources to deal on a proactive basis with these problems, they will worsen and we will end up like Seattle or San Francisco.

As you know, I am involved in the Natural Areas Inventory study. Our long-term plan is to be able to purchase large tracts of natural areas in the Portland-Vancouver Metropolitan region in order to maintain our high quality of life in terms of natural resources and outdoor recreation opportunities.

We don't have much time!! Unless the later phases of this natural area study are adequately and rapidly funded, we will be too late to purchase areas of critical importance. There are, of course, many other pressing issues, such as transportation, which also need increased financial support. I stress my support for the excise tax, and urge you to ensure that funding sufficient to permit full implementation of the natural areas program is provided.

Sincerely,

Lynn Sharp

WASTECH

(Fin. Comm. Report/Ord. 90-333)

March 1, 1990

Councilor George Van Bergen
Chair, Council Finance Committee
Metro
2000 S.W. First Ave.
Portland, Oregon 97201

Dear Councilor Van Bergen:

On October 27, 1989, the Metro Council adopted Ordinance 88-266B approving the Regional Solid Waste Management Plan. The Plan's Policy 11 states that "Metro shall provide financial support for source separation programs, to produce high grade select loads and to carry out other waste reduction programs". The Policy continues with the statement that "In providing financial incentives for those who recycle, the cost of final disposal will increase. To the extent feasible, this increased cost should be paid by those who are not participating in recycling".

The proposed Ordinance 90-333 as currently drafted is in conflict with this Policy and the adopted Solid Waste Management Plan by imposing an excise tax on recycling and waste reduction activities.

There are other fees imposed by Metro on solid waste such as the user fee and regional transfer charge. In keeping with the waste reduction incentive policy, Metro provides exemption of these fees on recyclables. Section 5.02.045 (g) of the Metro Code states "User fees shall not apply to wastes received at franchised processing centers that accomplish material recovery and recycling as a primary operation". Section 5.02.050 (f) provides the same exemption for the regional transfer charge. These exemptions eliminate the Metro fees on recyclables recovered at the processing centers, however, the Metro fees are imposed on all nonrecovered material generated at the processing center and delivered to an approved Metro facility.

In December 1989, the Metro Solid Waste Department Staff recommended to the Council Solid Waste Committee that the user fee exemption be eliminated and that Metro impose this fee on recyclables. The impact to Wastech would be in excess of \$450,000.00 per year which we can not pass through to our customers and would render the approved expansion of Oregon Processing and Recovery Center not economically feasible. Since the staff's recommendation was first made public, there has been little or no support to reverse the existing waste reduction incentive policy. For example, Metro's Rate Review Committee has testified in opposition to the staff recommendation as well as the Oregon Department of Environmental Quality. The Association of Oregon Recyclers will present their opposition at the next Solid Waste Council Committee hearing on this issue.

I recommend that Metro continue providing the economic incentives to encourage recycling and waste reduction as required in the adopted Solid Waste Management Plan by modifying Section 7.01.050, Exemption, of the proposed Ordinance 90-333 to add a paragraph (7) to section (a) to read as follows: Any franchised processing center that accomplishes material recovery and recycling as a primary operation. This modification will eliminate the excise tax on materials recycled while requiring the operator of a franchised processing center to pay the excise tax on all nonrecovered waste.

Thank you for the opportunity to provide my comments on the proposed excise tax ordinance. Should you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Merle Irvine', with a stylized, flowing script.

Merle Irvine
Executive Vice President

cc: Metro Council Finance Committee



METRO

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

Memorandum

DATE: February 27, 1990
TO: Finance Committee *DEC*
FROM: Donald E. Carlson, Council Administrator
RE: Additional Information for March 1, 1990 Meeting on
Ordinance No. 90-333 (Excise Tax)

Please find enclosed the following three additional pieces of information for the March 1, 1990 meeting:

1. A letter from General Counsel Cooper dated 2/22/90 which includes a revised ordinance (90-333A) with explanations and two amendments from Councilor Wyers (referral of ordinance to voters) and Councilor Collier (inclusion of tax on users of City of Portland ERC facilities).
2. A memo from Don Carlson and Ray Phelps dated 2/26/90 which provides an analysis of the impact of a tax on users of District facilities and services.
3. A memo from Don Carlson dated 2/27/90 which provides information on potential election dates and costs.

Please review this material and bring it with you to the March 1, 1990 meeting.

DEC:aeb
Attachment

A:\0227MEM.DEC



METRO

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

February 22, 1990

The Honorable George Van Bergen
Chair, Council Finance Committee
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Executive Officer
Rena Cusma

Metro Council

Tanya Collier
Presiding Officer
District 9

Gary Hansen
Deputy Presiding
Officer
District 12

Mike Ragsdale
District 1

Lawrence Bauer
District 2

Jim Gardner
District 3

Richard Devlin
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Ruth McFarland
District 7

Judy Wyers
District 8

Roger Buchanan
District 10

David Knowles
District 11

Dear Councilor Van Bergen:

Re: Ordinance No. 90-333-A (Excise Tax)

The purpose of this letter is to explain in detail the proposed revisions to Ordinance No. 90-333 that are set forth in Ordinance No. 90-333-A attached hereto. I recommend that the Finance Committee amend Ordinance No. 90-333 to incorporate the proposed revisions.

In general these revisions have been prepared to clarify the Ordinance and correct errors contained in the original version of Ordinance No. 90-333.

The original version of Ordinance No. 90-333 was modeled on a local government excise tax ordinance. The Ordinance as introduced contains certain internal inconsistencies resulting from the use of a "model" that does not exactly match Metro's situation. Some of the proposed revisions contained in Ordinance No. 90-333-A correct these inconsistencies. This category of corrections are marked as Type #1 corrections on the attached copy of Ordinance No. 90-333-A.

As introduced, Ordinance No. 90-333 required quarterly tax returns to be filed by operators of District facilities. Since solid waste disposal franchisees currently pay Metro's user fees on a monthly basis the Accounting Division and Solid Waste Department have recommended that excise taxes be paid on the same schedule. The revisions necessary to accomplish this are indicated as Type #2 revisions on the attached Ordinance.

The model used to prepare Ordinance No. 90-333 contemplated a different appeal and hearing process than the provisions currently set forth in the Metro Code. Revisions to amend the Ordinance to make the appeal and hearing process

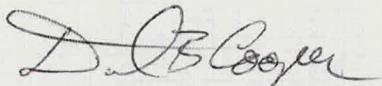
The Honorable George Van Bergen
February 22, 1990
Page 2

consistent with the existing Metro Code Contested Case procedures are marked at Type #3.

Finally, certain changes are recommended to clarify the meaning of the original version of Ordinance No. 90-333. These revisions are marked as Type #4.

I will be in attendance at the Finance Committee's scheduled meeting on March 1, 1990, to answer any questions the Committee may have.

Yours very truly,

A handwritten signature in cursive script, appearing to read "D. B. Cooper".

Daniel B. Cooper,
General Counsel

gl
1054

Attachment

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE FOR THE PURPOSE OF
IMPOSING EXCISE TAXES

) ORDINANCE NO. 90-333-A

) Introduced by Rena Cusma,
) Executive Officer, and
) Council Finance Committee

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. The Council finds:

a. Oregon Laws 1989, ch 332 (ORS 268.507) authorizes the District to impose excise taxes on persons using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

b. It is appropriate to impose such excise taxes on all persons paying compensation or giving consideration for the use of facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

c. The District by agreement with the City of Portland has agreed to forbear from imposing any such excise tax on persons using certain facilities operated by the District but owned by the City of Portland and therefore it is appropriate to exempt users of such facilities from the payment of excise taxes.

Section 2. A new Chapter 7.01 Excise Taxes is added to the Metro Code to be numbered, titled and to read as follows:

TITLE VII.

CHAPTER 7.01
EXCISE TAXES

7.01.010 Definitions: Except where the context otherwise requires, the definitions given in this Section govern the construction of this Chapter:

Type #4 { (a) "Accrual basis accounting" means as this term relates to revenue recognition the operator enters records the payments due revenue from a user on his/her records when the payment revenue is earned, whether or not it is paid.

(b) "Cash basis accounting" means the operator ~~does-not enter records~~ the payment-due revenue from a user on his/her records ~~until-payment~~ when cash is received.

TYPE #4 | (c) "District facility" means any facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the District. District facility includes but is not limited to all services provided for compensation by employees, officers or agents of Metro, the Metro Washington Park Zoo, Metro ERC Facilities including but not limited to the Oregon Convention Center, the Metro South Station, the St. Johns Landfill, the Metro East Station, the Riedel Oregon Compost Company, Inc. Solid Waste Compost Facility, any other solid waste transfer, processing, disposal or recycling center owned, operated or financed by or for the District, all solid waste facilities subject to the issuance of a franchise pursuant to Metro Code Chapter 5.01, and any other facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the District.

#4 | (d) "Metro ERC Facility" means any facility operated or managed by the Metropolitan Exposition-Recreation Commission.

(de) "Operator" means a person who receives compensation from any source arising out of the use of a District facility. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this Chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this Chapter by either the principal or managing agent shall be considered to be compliance by both.

TYPE #1 | (ef) "Person" means any individual, firm, partnership, joint venture, association, ~~social-club, fraternal-organization, fraternity, sorority, public-or-private-dormitory,~~ governmental body, joint stock company, corporation, estate, trust, syndicate, or any other group or combination acting as a unit.

(fg) "Payment" means the consideration charged, whether or not received by the operator, for the use of a District facility, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

(gh) "Tax" means either the tax payable by the user or the aggregate amount of taxes due from an operator during the period for which he/she is required to report his/her collections.

(hi) "User" means any person who pays compensation for the use of a District facility or receives a product or service from a District facility subject to the payment of compensation.

7.01.020 Tax Imposed:

(a) For the privilege of use of the facilities, equipment, systems, functions, services, or improvements owned, operated,

Type #4
franchised, or provided by the District, each user shall pay a tax in the amount of established in subsection 7.01.020(b) but not to exceed _____ percent of the payment charged by the operator or the District for such use. The tax constitutes a debt owed by the user to the District which is extinguished only by payment of the tax directly to the District or by the operator to the District. The user shall pay the tax to the District or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting ~~basis~~ and when earned if the operator keeps his/her records on the accrual basis of accounting ~~basis~~. If payment is paid in installments to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The Council may for any annual period commencing July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for herein in subsection 7.01.020(a) by so providing in the annual budget ordinance adopted by the District. If the Council so establishes a lowers-the rate of tax, the Executive Officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established herein in subsection 7.01.020(a) unless further action to establish a different lower rate is adopted by the Council as provided for herein.

7.01.025 Collection of Tax by District.

(a) The District shall allocate from all payments made directly to the District by any user the amount of the tax provided for in Section 7.01.020.

(b) Unless stated separately on any request for payment or charge imposed or established by the District the excise tax shall be presumed to be included in the amount imposed or established by the District so that the excise tax shall be computed in such amount that the total charged shall equal the amount of compensation owed to the District plus the excise tax at the rate established herein. To the extent necessary to give effect to this provision all rates and charges established by the District and in effect on the effective date of this Chapter shall be deemed decreased by such percentage amount so that after such date the amount of the rate or charge together with the amount of the excise tax provided for in Section 7.01.020 shall be equal to the previously established rate or charge. Thereafter rates and charges shall be subject to amendment as provided by law.

(c) In the case of installment payments to the District a proportionate share of the tax shall be deemed paid by the user with each installment.

7.01.030 Collection of Tax by Operator; Rules for Collection.

(a) Every operator unless specifically exempted under the terms of this Chapter, shall collect a tax from users. The tax collected or accrued by the operator constitutes a debt owing by the operator to the District.

(b) In all cases of credit or deferred payments, the payment of tax to the operator may be deferred until the payment is paid, and the operator shall not be liable for the tax until credits are paid or deferred payments are made. Adjustments may be made for uncollectibles.

(c) The Executive Officer shall enforce provisions of this Chapter and shall have the power to adopt rules and regulations not inconsistent with this Chapter as may be necessary to aid in the enforcement. Prior to the adoption of rules and regulations, the Executive Officer shall give public notice of intent to adopt rules and regulations, provide copies of the proposed rules and regulations to interested parties, and conduct a public hearing on the proposed rules and regulations. Public notice shall be given when rules and regulations have been finally adopted. Copies of current rules and regulations shall be made available to the public upon request. It is a violation of this Code to violate rules and regulations duly adopted by the Executive Officer.

7.01.040 Operator's Duties: Each operator shall collect the tax imposed by this Chapter at the same time as payment is collected from every user. The amount of tax shall be separately stated upon the operator's records, and any receipt rendered by the operator.

7.01.050 Exemptions:

(a) The following persons, users and operators are exempt from the requirements of this Chapter:

- (1) Persons, users and operators whom the District is prohibited from imposing an excise tax upon under the Constitution or Laws of the United States or the Constitution or Laws of the State of Oregon.
- (2) Persons who are users and operators of the Memorial Coliseum, Portland Civic Stadium or the Portland Center for the Performing Arts.

- Type #4
- (3) Persons whose payments to the District or to an operator constitute a donation, gift or bequest for the receipt of which neither the District nor any operator is under any contractual obligation related thereto.
 - (4) Any persons making payment to the District for a business license pursuant to ORS 701.015.
 - (5) Any person which is a state, a state agency or a municipal corporation to the extent of any payment made directly to the District for any purpose other than solid waste disposal, use of ~~the-Oregon Convention-Center~~ a Metro ERC facility, or use of the Metro Washington Park Zoo.
 - (6) Users who are sublessees, subtenants, sublicensees, or other persons paying compensation for the use of ~~the-Oregon Convention-Center~~ Metro ERC Facilities to lessees, tenants or licensees of ~~the-Oregon Convention-Center~~ Metro ERC Facilities but not users who purchase admission tickets for events at ~~the-Oregon Convention-Center~~ Metro ERC Facilities that are available to members of the general public.

(b) Any person, user or operator that is exempt for the payment of an excise tax pursuant to this section shall nonetheless be liable for compliance with this Chapter and the payment of all taxes due pursuant to any activity engaged in by such person which is subject to this Chapter and not specifically exempted from the requirements hereof. Any operator whose entire compensation from others for use of a District facility is exempt from the provisions of this Chapter shall be deemed to be a user and not an operator.

7.01.060 Registration of Operator; Form and Contents; Execution; Certification of Authority.

(a) Every person engaging or about to engage in business as an operator in the District shall register with the Executive Officer on a form provided by the Executive Officer. Operators starting business must register within fifteen (15) calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration. Registration shall set forth the name under which an operator transacts or intends to transact business, the location of his/her place of business and such other information to facilitate the collection of the tax as the Executive Officer may require. The registration shall be signed by the operator.

Type #1 (b) The Executive Officer shall, within ten (10) days after registration, issue without charge a certificate of authority to each registrant to collect the tax from ~~the-occupant~~ users, together with a duplicate thereof for each additional place of business of each registrant. Certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the Executive Officer upon the cessation of business at the location named or upon the business sale or transfer. Each certificate and duplicate shall state the place of business to which it is applicable and shall be prominently displayed thereon so as to be seen and come to notice readily of all ~~occupants-and-persons~~ seeking-occupancy users.

#1 (c) Said certificate shall, among other things, state the following:

- (1) The name of the operator;
- (2) The address of the facility;
- (3) The date upon which the certificate was issued;
- (4) "This Excise Tax Registration Certificate signifies that the person named has fulfilled the requirements of the Excise Tax Chapter of the Code of the Metropolitan Service District for the purpose of collecting and remitting the excise tax. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, or to operate a facility without strictly complying with all local applicable laws. This certificate does not constitute a permit or a franchise."

7.01.070 Due Date; Returns and Payments.

Type #2 (a) The tax imposed by this Chapter shall be paid by the user to the operator at the time that payment is made. All amounts of such taxes collected by any operator are due and payable to the District on the 15th day of ~~the-following~~ each month for the preceding ~~three-(3)~~ months; and are delinquent on the last day of the month in which they are due. If the last day of the month falls on a holiday or weekend, amounts are delinquent on the first business day that follows. ~~The-Executive Officer-has-authority-to-classify-and/or-district-the-operators for-determination-of-applicable-tax-periods,-and-shall-notify each-operator-of-the-due-and-delinquent-dates-for-the-operator's returns-~~ The initial return under this Chapter may be for less than ~~three-(3)~~ a full months preceding the due date; thereafter returns shall be made for the applicable ~~quarterly~~ monthly period.

2 | (b) On or before the 15th day of the month following each quarter month of collection, a return for the preceding quarter's month's tax collections shall be filed with the Executive Officer. The return shall be filed in such form as the Executive Officer may prescribe by every operator liable for payment of tax.

4 | (c) Returns shall show the amount of tax collected or otherwise due for the related period. The Executive Officer may require returns to show the total receipts upon which tax was collected or otherwise due, gross receipts of the operator for such period and an explanation in detail of any discrepancy between such amounts, and the amount of receipts exempt, if any.

(d) The person required to file the return shall deliver the return, together with the remittance of the amount of the tax due, to the Executive Officer, either by personal delivery or by mail. If the return is mailed, the postmark shall be considered the date of delivery for determining delinquencies.

4 | (e) For good cause, the Executive Officer may extend for not to exceed one (1) month the time for making any return or payment of tax. No further extension shall be granted, except by the Executive Officer. Any operator to whom an extension is granted shall pay interest at the rate of 1.25 percent (1.25%) per month on the amount of tax due without proration for a portion of a month. If a return is not filed, and the tax and interest due is not paid by the end of the extension granted, then the interest shall be added to the tax due for computation of penalties described elsewhere in this Chapter.

2 | (f) The Executive Officer, if deemed necessary in order to ensure payment or facilitate collection by the District of the amount of taxes in any individual case, may require returns and payment of the amount of taxes ~~for-ether~~ more frequently than ~~quarterly~~ monthly periods.

7.01.080 Penalties and Interest.

(a) Original delinquency. Any operator who has not been granted an extension of time for remittance of tax due and who fails to remit any tax imposed by this Chapter prior to delinquency shall pay a penalty of ten percent (10%) of the amount of the tax due in addition to the amount of the tax.

(b) Continued delinquency. Any operator who has not been granted an extension of time for remittance of tax due, and who failed to pay any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of fifteen percent (15%) of the amount of the tax due plus the amount of the ten percent (10%) penalty first imposed.

(c) Fraud. If the Executive Officer determines that the nonpayment of any remittance due under this Chapter is due to fraud or intent to evade the provisions thereof, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to the penalties stated in paragraphs (a) and (b) of this Section.

4 (d) Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this Chapter shall pay interest at the rate of ~~one~~ 1.25 percent ~~(1%)~~ (1.25%) per month or fraction thereof without proration for portions of a month, on the amount of the tax due from the date on which the remittance first became delinquent until paid. Interest shall be compounded monthly.

(e) Penalties and Interest merged with tax. Every penalty imposed and such interest as accrues under the provisions of this Section shall be merged with and become a part of the tax herein required to be paid. If delinquency continues, requiring additional penalty and interest calculations, previously assessed penalty and interest are added to the tax due. This amount becomes the new base for calculating new penalty and interest amounts.

(f) Petition for waiver. Any operator who fails to remit the tax herein levied within the time herein stated shall pay the penalties herein stated, provided, however, the operator may petition the Executive Officer for waiver and refund of the penalty or any portion thereof and the Executive Officer may, if a good and sufficient reason is shown, waive and direct a refund of the penalty or any portion thereof.

7.01.090 Deficiency Determination; Fraud, Evasion, Operator Delay.

(a) Deficiency determinations. If the Executive Officer determines that the results are incorrect, it may compute and determine the amount required to be paid on the basis of the facts contained in the return or returns, or upon the basis of any information within its possession or that may come into its possession. One or more deficiency determinations may be made of the amount due for one, or more than one, period, and the amount so determined shall be due and payable immediately upon service of notice as herein provided after which the amount determined is delinquent. Penalties or deficiencies shall be applied as set forth in Section 7.01.080.

- (1) In making a determination the Executive Officer may offset overpayments, if any, which may have been previously made for a period or periods against any underpayment for a subsequent period or periods, or against penalties and interest on

the underpayments. The interest on underpayments shall be computed in the manner set forth in Section 7.01.080.

- # 2 1
- (2) The Executive Officer shall give to the operator a written notice of its determination. The notice may be served personally or by mail. If by mail, the notice shall be addressed to the operator at his/her address as it appears on the records of the Executive Officer. In case of service by mail or any notice required by this Chapter, the service is complete at the time of deposit in the United States Post Office.
 - (3) Except in the case of fraud or intent to evade this Chapter or authorized rules and regulations, every deficiency determination shall be made and notice thereof mailed within three (3) years after the last day of the month following the close of the ~~quarterly~~ period for which the amount is proposed to be determined or within three (3) years after the return is filed, whichever period expires the later.
 - (4) Any determination shall become due and payable immediately upon receipt of notice and shall become final within ten (10) days after the Executive Officer has given notice thereof, provided, however, the operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

(b) Fraud, refusal to collect, evasion. If any operator shall fail or refuse to collect said tax or to make within the time provided in this Chapter any report and remittance of said tax or any portion thereof required by this Chapter, or makes a fraudulent return or otherwise willfully attempts to evade this Chapter, the Executive Officer shall proceed in such manner as deemed best to obtain facts and information on which to base an estimate of the tax due. As soon as the Executive Officer has determined the tax due that is imposed by this Chapter from any operator who has failed or refused to collect the same and to report and remit said tax, it shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this Chapter. In case such determination is made, the Executive Officer shall give a notice in the manner aforesaid of the amount so assessed. Such determination and notice shall be made and mailed within three (3) years after discovery by the Executive Officer of any fraud, intent to evade or failure or refusal to collect said tax, or failure to file return. Any determination shall become due and payable

1 | immediately upon receipt of notice and shall become final within ten (10) days after the Bureau Executive Officer has given notice thereof, provided, however, the operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

(c) Operator delay. If the Executive Officer believes that the collection of any tax or any amount of tax required to be collected and paid to the District will be jeopardized by delay, or if any determination will be jeopardized by delay, the Executive Officer shall thereupon make a determination of the tax or amount of tax required to be collected, noting the fact upon the determination. The amount so determined as herein provided shall be immediately due and payable, and the operator shall immediately pay such determination to the Executive Officer after service of notice thereof; provided, however, the operator may petition, after payment has been made, for redemption and refund of such determination, if the petition is filed within ten (10) days from the date of service of notice by the Executive Officer.

3 | 7.01.100 Redeterminations Hearings, Contested Cases.

(a) Any person against whom a determination is made under Section 7.01.090 or any person directly interested may petition for a redetermination request a hearing on the matter in contest and request redemption and refund within the time required in Section 7.01.090. ~~The determination becomes final at the expiration of the allowable time and no hearing may be requested thereafter.~~ Hearings shall be conducted as provided for in Chapter 2.05 except that the deadline for requesting a hearing shall be as provided for herein.

~~(b)--If a petition for redetermination and refund is filed within the allowable period, the Executive Officer shall reconsider the determination, and, if the person has so requested in his/her petition, shall grant the person an oral hearing and shall give him/her ten (10) days notice of the time and place of the hearing.--The Executive Officer may continue the hearing from time to time as may be necessary.~~

~~(c)--The Executive Officer may decrease or increase the amount of the determination as a result of the hearing and, if an increase is determined, such increase shall be payable immediately after the hearing.~~

~~(d)--The order or decision of the Executive Officer upon a petition for redetermination of redemption and refund becomes final ten (10) days after service upon the petitioner of notice thereof, unless appeal of such order or decision is filed with the Council Clerk within the ten (10) days after service of such notice.~~

#3 | (eb) No ~~petition-for-redetermination-of-redemption request~~ for a hearing and refund or appeal therefrom shall be effective for any purpose unless the operator has first complied with the payment provisions hereof.

#2 | 7.01.110 Security for Collection of Tax: The Executive Officer, whenever deemed necessary to ensure compliance with this Chapter, may require any operator subject thereto to deposit with it such security in the form of cash, bond, or other security as the Executive Officer may determine. The amount of the security shall be fixed by the Executive Officer but shall not be greater than twice the operator's estimated average ~~quarterly~~ liability for the period for which he/she files returns, determined in such manner as the Executive Officer deems proper. The amount of the security may be increased or decreased by the Executive Officer subject to the limitation herein provided.

7.01.120 Refunds.

#4 | (a) Refunds by District to operator. Whenever the amount of any tax, penalty, or interest has been paid more than once or has been erroneously ~~or-illegally~~ collected or received by the Executive Officer under this Chapter, it may be refunded, provided a verified claim in writing therefor, stating the specific reason upon which the claim is founded, is filed with the Executive Officer within three (3) years from the date of payment. The claim shall be made on forms provided by the Executive Officer. If the claim is approved by the Executive Officer, the excess amount collected or paid may be refunded or may be credited on any amounts then due and payable from the operator from whom it was collected or by whom paid and the balance may be refunded to such operator, his/her administrators, executors, or assignees.

#4 | (b) Refunds by District to users. Whenever the tax required by this Chapter has been collected by the District or by an operator, and deposited by the operator with the Executive Officer, and it is later determined that the tax was erroneously ~~or-illegally~~ collected or received by the Executive Officer, it may be refunded by the Executive Officer to the transient user, provided a verified claim in writing therefor, stating the specific reason on which the claim is founded, is filed with the Executive Officer within three (3) years from the date of payment.

#2 | 7.01.130 Administration.

(a) Records required from operator, et cetera; form. Every operator shall keep records of all sales and transactions. All records shall be retained by the operator for a period of three (3) years and six (6) months after they come into being.

#4 | (b) Examination of records; investigations. The Executive Officer, or any person authorized in writing by the Executive Officer, may examine during normal business hours the books, papers and accounting records relating to any operator, after notification to the operator liable for the collection and payment of the tax, and may investigate the business of the operator in order to verify the accuracy of any return made, or if no return is made by the operator, to ascertain and determine the amount required to be paid.

(c) At any time within three (3) years after any tax or any amount of tax required to be collected becomes due and payable or at any time within three (3) years after any determination becomes final, the Executive Officer may cause the General Counsel to bring an action in the courts of this state, or any other state, or of the United States in the name of the District to collect the amount delinquent together with penalties and interest.

(d) Confidential financial information. Except as otherwise required by law, it shall be unlawful for the Executive Officer, or any officer, employee, or agent, to divulge, release, or make known in any manner any financial information submitted or disclosed to the Executive Officer under the terms of this Chapter. Nothing in this subsection shall be construed to prohibit:

- #1 |
- (1) The disclosure to, or the examination of, financial records by District officials, employees or agents for the purpose of administering or enforcing the terms of this Chapter, or collecting taxes imposed under the terms of this Chapter; or
 - (2) The disclosure to the taxpayer or his/her authorized representative of financial information, including amounts of ~~transient~~ lodgings excise taxes, penalties, or interest, after filing of a written request by the taxpayer or his/her authorized representative and approval of the request by the Executive Officer; or
 - (3) The disclosure of the names and addresses of any persons to whom Excise Tax Registration Certificates have been issued; or
 - (4) The disclosure of general statistics in a form which would prevent the identification of financial information regarding any particular taxpayer's return or application; or
 - (5) The disclosure of financial information to the Office of General Counsel, to the extent the Executive Officer deems disclosure or access

necessary for the performance of the duties of
advising or representing the Executive Officer.

#3 7-01-140--Appeals-to-Metro-Council.--A-person-aggrieved-by-any
decision-of-the-Executive-Officer-under-this-Chapter-may-appeal
to-the-Council-by-filing-a-notice-of-appeal-with-the-Council
Clerk-within-ten-(10)-days-of-the-serving-or-the-mailing-of-the
notice-of-the-decision-given-by-the-Executive-Officer.--The-Clerk
shall-transmit-said-notice-of-appeal,-together-with-the-file-of
said-appealed-matter-to-the-Council,-who-shall-fix-a-time-and
place-for-hearing-such-appeal-pursuant-to-Chapter-2-05-

7.01.150 Violations. It is unlawful for any operator or other
person so required to fail or refuse to register as required
herein, or to furnish any return required to be made, or fail or
refuse to furnish a supplemental return or other data required by
the Executive Officer or to render a false or fraudulent return.
No person required to make, render, sign, or verify any report
shall make any false or fraudulent report, with intent to defeat
or evade the determination of any amount due require by this
Chapter. The Executive Officer may impose a civil penalty of up
to \$500 for each violation of this Chapter. A violation
includes, but is not limited to:

(a) Failure to file any required Tax payment and report,
including any penalties and interest, within sixty (60) days of
the due date;

(b) Filing a false or fraudulent report;

(c) Failure to register a facility with the Executive
Officer as described in Section 7.01.060;

(d) Failure to maintain a separate account for the excise
tax collected.

Section 3. This Ordinance shall be in force and effect on
July 1, 1990, or ninety (90) days after its adoption by the
Council, whichever date is later.

DBC/gl

1013

PROPOSED AMENDMENTS TO ORD. NO. 90-333 A

- * Councilor Wyers amendment regarding referral of the ordinance to District voters.
- * Councilor Colliers amendment regarding imposition of the tax on users of the City of Portland ERC facilities.

BRACKETED MATERIAL

necessary for the performance of the duties of advising or representing the Executive Officer.

~~7.01.140--Appeals-to-Metro-Council---A-person-aggrieved-by-any decision-of-the-Executive-Officer-under-this-Chapter-may-appeal to-the-Council-by-filing-a-notice-of-appeal-with-the-Council Clerk-within-ten-(10)-days-of-the-serving-or-the-mailing-of-the notice-of-the-decision-given-by-the-Executive-Officer---The-Clerk shall-transmit-said-notice-of-appeal,-together-with-the-file-of said-appealed-matter-to-the-Council,-who-shall-fix-a-time-and place-for-hearing-such-appeal-pursuant-to-Chapter-2.05-~~

7.01.150 Violations. It is unlawful for any operator or other person so required to fail or refuse to register as required herein, or to furnish any return required to be made, or fail or refuse to furnish a supplemental return or other data required by the Executive Officer or to render a false or fraudulent return. No person required to make, render, sign, or verify any report shall make any false or fraudulent report, with intent to defeat or evade the determination of any amount due require by this Chapter. The Executive Officer may impose a civil penalty of up to \$500 for each violation of this Chapter. A violation includes, but is not limited to:

(a) Failure to file any required Tax payment and report, including any penalties and interest, within sixty (60) days of the due date;

(b) Filing a false or fraudulent report;

(c) Failure to register a facility with the Executive Officer as described in Section 7.01.060;

(d) Failure to maintain a separate account for the excise tax collected.

Section 3. This Ordinance shall be in force and effect on July 1, 1990, or ninety (90) days after its adoption by the Council, whichever date is later.

(a) This Ordinance shall be referred to the electors of the District for their approval or rejection at the election to be held on _____, 1990. The Office of General Counsel is directed to submit an appropriate ballot title to the Council for approval.

(b) If approved by the electors this Ordinance shall be in force and effect from and after _____, 19_____.

DBC/gl

1013

COLLIER AMENDMENT

"BOXED" MATERIAL

Pages 1, 4, 5, 13, 14

BEFORE THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

AN ORDINANCE FOR THE PURPOSE OF
IMPOSING EXCISE TAXES

) ORDINANCE NO. 90-333-A

) Introduced by Rena Cusma,
) Executive Officer, and
) Council Finance Committee

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. The Council finds:

a. Oregon Laws 1989, ch 332 (ORS 268.507) authorizes the District to impose excise taxes on persons using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

b. It is appropriate to impose such excise taxes on all persons paying compensation or giving consideration for the use of facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District.

~~c.---The District by agreement with the City of Portland has agreed to forbear from imposing any such excise tax on persons using certain facilities operated by the District but owned by the City of Portland and therefore it is appropriate to exempt users of such facilities from the payment of excise taxes.~~

Section 2. A new Chapter 7.01 Excise Taxes is added to the Metro Code to be numbered, titled and to read as follows:

TITLE VII.

CHAPTER 7.01 EXCISE TAXES

7.01.010 Definitions: Except where the context otherwise requires, the definitions given in this Section govern the construction of this Chapter:

(a) "Accrual basis accounting" means as this term relates to revenue recognition the operator enters records the payments due revenue from a user on his/her records when the payment revenue is earned, whether or not it is paid.

(b) "Cash basis accounting" means the operator does not enter records the payment due revenue from a user on his/her records until payment when cash is received.

7.01.030 Collection of Tax by Operator; Rules for Collection.

(a) Every operator unless specifically exempted under the terms of this Chapter, shall collect a tax from users. The tax collected or accrued by the operator constitutes a debt owing by the operator to the District.

(b) In all cases of credit or deferred payments, the payment of tax to the operator may be deferred until the payment is paid, and the operator shall not be liable for the tax until credits are paid or deferred payments are made. Adjustments may be made for uncollectibles.

(c) The Executive Officer shall enforce provisions of this Chapter and shall have the power to adopt rules and regulations not inconsistent with this Chapter as may be necessary to aid in the enforcement. Prior to the adoption of rules and regulations, the Executive Officer shall give public notice of intent to adopt rules and regulations, provide copies of the proposed rules and regulations to interested parties, and conduct a public hearing on the proposed rules and regulations. Public notice shall be given when rules and regulations have been finally adopted. Copies of current rules and regulations shall be made available to the public upon request. It is a violation of this Code to violate rules and regulations duly adopted by the Executive Officer.

7.01.040 Operator's Duties: Each operator shall collect the tax imposed by this Chapter at the same time as payment is collected from every user. The amount of tax shall be separately stated upon the operator's records, and any receipt rendered by the operator.

7.01.050 Exemptions:

(a) The following persons, users and operators are exempt from the requirements of this Chapter:

- (1) Persons, users and operators whom the District is prohibited from imposing an excise tax upon under the Constitution or Laws of the United States or the Constitution or Laws of the State of Oregon.

~~(2) -- Persons who are users and operators of the Memorial Coliseum, Portland Civic Stadium or the Portland Center for the Performing Arts.~~

- (32) Persons whose payments to the District or to an operator constitute a donation, gift or bequest for the receipt of which neither the District nor any operator is under any contractual obligation related thereto.

- (43) Any persons making payment to the District for a business license pursuant to ORS 701.015.
- (54) Any person which is a state, a state agency or a municipal corporation to the extent of any payment made directly to the District for any purpose other than solid waste disposal, use of ~~the-Oregon Convention-Center~~ a Metro ERC facility, or use of the Metro Washington Park Zoo.
- (65) Users who are sublessees, subtenants, sublicensees, or other persons paying compensation for the use of ~~the-Oregon-Convetion-Center~~ Metro ERC Facilities to lessees, tenants or licensees of ~~the-Oregon-Convetion-Center~~ Metro ERC Facilities but not users who purchase admission tickets for events at ~~the-Oregon Convention-Center~~ Metro ERC Facilities that are available to members of the general public.

(b) Any person, user or operator that is exempt for the payment of an excise tax pursuant to this section shall nonetheless be liable for compliance with this Chapter and the payment of all taxes due pursuant to any activity engaged in by such person which is subject to this Chapter and not specifically exempted from the requirements hereof. Any operator whose entire compensation from others for use of a District facility is exempt from the provisions of this Chapter shall be deemed to be a user and not an operator.

7.01.060 Registration of Operator; Form and Contents; Execution; Certification of Authority.

(a) Every person engaging or about to engage in business as an operator in the District shall register with the Executive Officer on a form provided by the Executive Officer. Operators starting business must register within fifteen (15) calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration. Registration shall set forth the name under which an operator transacts or intends to transact business, the location of his/her place of business and such other information to facilitate the collection of the tax as the Executive Officer may require. The registration shall be signed by the operator.

(b) The Executive Officer shall, within ten (10) days after registration, issue without charge a certificate of authority to each registrant to collect the tax from ~~the-occupant~~ users, together with a duplicate thereof for each additional place of business of each registrant. Certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the

necessary for the performance of the duties of advising or representing the Executive Officer.

~~7.01.140--Appeals-to-Metro-Council---A-person-aggrieved-by-any decision-of-the-Executive-Officer-under-this-Chapter-may-appeal to-the-Council-by-filing-a-notice-of-appeal-with-the-Council Clerk-within-ten-(10)-days-of-the-serving-or-the-mailing-of-the notice-of-the-decision-given-by-the-Executive-Officer---The-Clerk shall-transmit-said-notice-of-appeal,-together-with-the-file-of said-appealed-matter-to-the-Council,-who-shall-fix-a-time-and place-for-hearing-such-appeal-pursuant-to-Chapter-2-05-~~

7.01.150 Violations. It is unlawful for any operator or other person so required to fail or refuse to register as required herein, or to furnish any return required to be made, or fail or refuse to furnish a supplemental return or other data required by the Executive Officer or to render a false or fraudulent return. No person required to make, render, sign, or verify any report shall make any false or fraudulent report, with intent to defeat or evade the determination of any amount due require by this Chapter. The Executive Officer may impose a civil penalty of up to \$500 for each violation of this Chapter. A violation includes, but is not limited to:

(a) Failure to file any required Tax payment and report, including any penalties and interest, within sixty (60) days of the due date;

(b) Filing a false or fraudulent report;

(c) Failure to register a facility with the Executive Officer as described in Section 7.01.060;

(d) Failure to maintain a separate account for the excise tax collected.

7.01.160 Metro ERC Facilities:

(a) All excise taxes collected by the District from users and operators of the Portland Center for the Performing Arts, Portland Civic Stadium or Portland Memorial Coliseum shall be used by the Metro ERC for the benefit and operation of Metro ERC Facilities except to the extent that the District shall have otherwise pledged such excise tax revenues for the benefit of Metro ERC Facilities.

(b) Any operator of any Metro ERC facility whose agreement allowing use of such facility is in force and effect prior to the effective date of this Chapter shall receive a credit for any excise tax payments made to the District based on sales of tickets or admission charged to users of the facility against any rental or other payments otherwise owed to the Metro ERC

pursuant to the existing agreement authorizing use of the facility.

Section 3. This Ordinance shall be in force and effect on July 1, 1990, or ninety (90) days after its adoption by the Council, whichever date is later.

DBC/gl
1013

TABLE 1

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
COUNCIL					
Personal Services	\$270,068	\$319,762	\$383,334	\$402,506	\$422,627
(FTE)	(6.66)	(7.30)	(8.30)	(8.30)	(8.30)
Material & Svcs.	\$76,713	\$149,500	\$215,206	\$222,312	\$237,082
Capital Outlay	\$4,829	\$4,700	\$4,500	\$4,000	\$4,000
Subtotal	\$351,610	\$473,962	\$603,040	\$628,818	\$663,709
EXECUTIVE MANAGEMENT					
Personal Services	\$310,650	\$463,529	\$399,698	\$415,158	\$431,392
(FTE)	(6.60)	(8.85)	(7.00)	(7.00)	(7.00)
Material & Svcs.	\$64,429	\$66,305	\$97,300	\$49,800	\$53,000
Capital Outlay	\$4,823	\$8,574	\$4,000	\$4,000	\$4,000
Subtotal	\$379,902	\$538,408	\$500,998	\$468,958	\$488,392
TRANSFERS					
Support Svc. Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
Insurance Fund	\$6,290	\$16,867	\$17,000	\$17,500	\$18,000
Building Fund	\$63,719	\$74,721	\$88,860	\$99,294	\$102,028
Planning Fund	\$50,709	\$37,612	\$500,000	\$500,000	\$475,000
Subtotal	\$120,718	\$129,200	\$950,153	\$973,966	\$967,428
CONTINGENCY	\$0	\$50,000	\$100,000	\$100,000	\$100,000
UNAPPROP. BALANCE	\$182,118	\$93,077	\$171,282	\$114,540	\$18,011
TOTAL EXPENDITURES	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,237,540
(FTE)	(13.26)	(16.15)	(15.3)	(15.3)	(15.3)

TABLE 2

 ACTUAL AND PROJECTED GENERAL GOVERNMENT FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
Fund Balance	\$99,738	\$180,143	\$310,473 *	\$271,282	\$214,540
Interest	\$50,874	\$34,038	\$15,000	\$15,000	\$15,000
Trans Zoo Oper Fund	\$204,843	\$193,355	\$0	\$0	\$0
Trans Planning Fund	\$137,822	\$229,467	\$0	\$0	\$0
Trans SW Oper Fund	\$321,997	\$443,400	\$0	\$0	\$0
Trans MERC Fund	\$38,477	\$30,370	\$0	\$0	\$0
Trans Conv Ctr Fund	\$176,190	\$153,874	\$0	\$0	\$0
Excise Tax	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
All Other	\$4,407	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$1,034,348	\$1,284,647	\$2,325,473	\$2,286,282	\$2,229,540

* Entire projected fund balance for prior General Fund.

TABLE 3

 ACTUAL AND PROJECTED SUPPORT SERVICES FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

DEPARTMENT	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
GENERAL COUNSEL					
Personal Services	\$199,764	\$253,022	\$341,160	\$357,533	\$374,695
(FTE)	(4.40)	(4.25)	(6.25)	(6.25)	(6.25)
Material & Svcs.	\$9,046	\$23,039	\$20,300	\$21,650	\$22,950
Capital Outlay	\$6,237	\$2,412	\$11,500	\$2,000	\$2,000
	-----	-----	-----	-----	-----
Subtotal	\$215,047	\$278,473	\$372,960	\$381,183	\$399,645
FINANCE & ADMIN.					
Personal Services	\$1,064,473	\$1,279,954	\$1,504,230	\$1,580,598	\$1,660,655
(FTE)	(27.63)	(29.50)	(35.00)	(35.00)	(35.00)
Material & Svcs.	\$751,248	\$806,856	\$756,204	\$778,908	\$800,800
Capital Outlay	\$25,799	\$62,575	\$53,500	\$30,000	\$30,000
	-----	-----	-----	-----	-----
Subtotal	\$1,841,520	\$2,149,385	\$2,313,934	\$2,389,506	\$2,491,455
PUBLIC AFFAIRS					
Personal Services	\$372,240	\$422,207	\$484,595	\$508,538	\$533,668
(FTE)	(11.25)	(10.75)	(11.75)	(11.75)	(11.75)
Material & Svcs.	\$67,473	\$68,167	\$70,314	\$73,858	\$77,476
Capital Outlay	\$6,546	\$650	\$500	\$500	\$500
	-----	-----	-----	-----	-----
Subtotal	\$446,259	\$491,024	\$555,409	\$582,896	\$611,644
TRANSFERS					
Building Fund	\$116,008	\$136,039	\$161,768	\$180,763	\$185,739
Insurance Fund	\$6,290	\$16,866	\$17,000	\$17,500	\$18,000
	-----	-----	-----	-----	-----
Subtotal	\$122,298	\$152,905	\$178,768	\$198,263	\$203,739
CONTINGENCY	\$0	\$50,000	\$75,000	\$75,000	\$75,000
UNAPPROP. BALANCE	\$469,985	\$117,396	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$3,095,109	\$3,239,183	\$3,496,071	\$3,626,848	\$3,781,483
(FTE)	(43.23)	(44.50)	(53.00)	(53.00)	(53.00)

TABLE 4

 ACTUAL AND PROJECTED SUPPORT SERVICE FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$298,448	\$471,960	\$0	\$0	\$0
Interest	\$152,231	\$89,177	\$0	\$0	\$0
Trans Zoo Oper Fund	\$612,960	\$506,572	\$600,800	\$697,842	\$727,595
Trans Planning Fund	\$412,408	\$501,268	\$627,230	\$714,924	\$745,406
Trans SW Oper Fund	\$963,521	\$1,188,134	\$1,400,421	\$1,529,950	\$1,595,181
Trans MERC Fund	\$115,135	\$79,566	\$262,205	\$326,960	\$340,901
Trans Conv Ctr Fund	\$527,220	\$403,136	\$261,122	\$0	\$0
Trans Gen Govt Fund	\$0	\$0	\$344,293	\$357,172	\$372,400
All Other	\$13,186	\$0	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$3,095,109	\$3,239,813	\$3,496,071	\$3,626,848	\$3,781,483

TABLE 5

 ACTUAL AND PROJECTED GENERAL FUND EXPENDITURES
 FY 1988-89 TO FY 1992-93

EXPENDITURES	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
Council	\$351,610	\$473,962	\$603,040	\$628,818	\$663,709
(FTE)	(6.66)	(7.30)	(8.30)	(8.30)	(8.30)
Exec. Management	\$379,902	\$538,408	\$605,879	\$578,582	\$603,998
(FTE)	(6.60)	(8.85)	(9.00)	(9.00)	(9.00)
General Counsel	\$215,047	\$278,473	\$372,960	\$381,183	\$399,645
(FTE)	(4.40)	(4.25)	(6.25)	(6.25)	(6.25)
Finance & Admin.	\$1,841,520	\$2,149,385	\$2,313,934	\$2,389,506	\$2,491,455
(FTE)	(27.63)	(29.50)	(35.00)	(35.00)	(35.00)
Public Affairs	\$446,259	\$491,024	\$555,409	\$582,896	\$611,644
(FTE)	(11.25)	(10.75)	(11.75)	(11.75)	(11.75)
Subtotal	\$3,234,338	\$3,931,252	\$4,451,222	\$4,560,985	\$4,770,451
TRANSFERS					
Building Fund	\$179,727	\$210,760	\$250,628	\$280,057	\$287,767
Insurance Fund	\$12,580	\$33,733	\$34,000	\$35,000	\$36,000
Planning Fund	\$50,709	\$37,612	\$35,000	\$35,000	\$35,000
Subtotal	\$243,016	\$282,105	\$319,628	\$350,057	\$358,767
CONTINGENCY	\$0	\$100,000	\$175,000	\$175,000	\$175,000
UNAPPROP. BALANCE	\$652,103	\$211,103	\$0	\$0	\$0
TOTAL EXPENDITURES	\$4,129,457	\$4,524,460	\$4,945,850	\$5,086,042	\$5,304,218
(FTE)	(56.54)	(60.65)	(70.3)	(70.3)	(70.3)

TABLE 6

 ACTUAL AND PROJECTED GENERAL FUND REVENUE
 FY 1988-89 TO FY 1992-93

REVENUE	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Fund Balance	\$398,186	\$652,103 *	\$311,103	\$175,000	\$175,000
Interest	\$203,105	\$123,215	\$150,000	\$125,000	\$125,000
Trans Zoo Oper Fund	\$817,803	\$699,927	\$871,611	\$995,305	\$1,040,677
Trans Planning Fund	\$550,230	\$730,735	\$910,000	\$1,039,145	\$1,086,516
Trans SW Oper Fund	\$1,285,518	\$1,631,534	\$2,031,815	\$2,320,130	\$2,425,895
Trans MERC Fund	\$153,612	\$109,936	\$336,356	\$431,462	\$451,130
Trans Conv Ctr Fund	\$703,410	\$557,010	\$334,965	\$0	\$0
All Other	\$17,593	\$20,000	\$0	\$0	\$0
	=====	=====	=====	=====	=====
TOTAL REVENUE	\$4,129,457	\$4,524,460	\$4,945,850	\$5,086,042	\$5,304,218

* Actual beginning balance per audit.

TABLE 7

COMPARISON OF OPERATING TRANSFERS FOR
GENERAL FUND AND SUPPORT SERVICES FUND

	FY 1990-91 PROJECTED	FY 1991-92 PROJECTED	FY 1992-93 PROJECTED	TOTAL PROJECTED	ANNUAL PROJECTED AVERAGE
ZOO OPERATING FUND					
General Fund	\$871,611	\$995,305	\$1,040,677	\$2,907,593	\$969,198
Support Service Fund	\$600,800	\$697,842	\$727,595	\$2,026,237	\$675,412
Difference	(\$270,811)	(\$297,463)	(\$313,082)	(\$881,356)	(\$293,786)
PLANNING FUND					
General Fund	\$910,000	\$1,039,145	\$1,086,516	\$3,035,661	\$1,011,887
Support Service Fund	\$627,230	\$714,924	\$745,406	\$2,087,560	\$695,853
Difference	(\$282,770)	(\$324,221)	(\$341,110)	(\$948,101)	(\$316,034)
SW OPERATING FUND					
General Fund	\$2,031,815	\$2,320,130	\$2,425,895	\$6,777,840	\$2,259,280
Support Service Fund	\$1,400,421	\$1,529,950	\$1,595,181	\$4,525,552	\$1,508,517
Difference	(\$631,394)	(\$790,180)	(\$830,714)	(\$2,252,288)	(\$750,763)
MERC FUND					
General Fund	\$336,356	\$431,462	\$451,130	\$1,218,948	\$406,316
Support Service Fund	\$262,205	\$326,960	\$340,901	\$930,066	\$310,022
Difference	(\$74,151)	(\$104,502)	(\$110,229)	(\$288,882)	(\$96,294)
GENERAL GOVNM'T FUND					
General Fund	\$0	\$0	\$0	\$0	\$0
Support Service Fund	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955
Difference	\$344,293	\$357,172	\$372,400	\$1,073,865	\$357,955

TABLE 8

POTENTIAL EXICSE REVENUE SOURCES

	FY 1990-91 PROJECTED	FY 1991-92 PROJECTED	FY 1992-93 PROJECTED
REVENUE NEED =====	\$2,000,000	\$2,000,000	\$2,000,000
OPTION A (Three funding sources) -----			
REVENUE SOURCES -----			
SW Disposal Tax (A)	\$1,623,504	\$1,588,474	\$1,586,668
Zoo Ticket Tax (B)	\$302,836	\$307,334	\$311,831
Convention Center Taxes (C)	\$80,812	\$147,150	\$137,629
TOTAL	\$2,007,152	\$2,042,958	\$2,036,128
OPTION B (Two funding sources) -----			
REVENUE SOURCES -----			
SW Disposal Tax (A)	\$1,728,246	\$1,690,956	\$1,689,034
Zoo Ticket Tax (B)	\$302,836	\$307,334	\$311,831
TOTAL	\$2,031,082	\$1,998,290	\$2,000,865
OPTION C (One funding source) -----			
REVENUE SOURCES -----			
SW Disposal Tax (A)	\$2,042,473	\$1,998,520	\$1,996,131
TOTAL	\$2,042,473	\$1,998,520	\$1,996,131

- (A) Based on following rates: Option A, \$1.55/ton; Option B, \$1.65/ton and Option C, \$1.95/ton. The estimated tons taxed each year are: 1,047,422 in 1990; 1,024,882 in 1991; and 1,023,657 in 1992.
- (B) Based on the following ticket tax rates: \$.50 for adults; \$.25 for seniors, youths and groups; and \$.50 for each Friends of Zoo annual pass.
- (C) Based on a 5% tax on facility space rentals; a 5% tax on gross food sales; and a \$.25 tax on each automobile parked.

EXHIBIT A

ACTUAL AND PROJECTED BUILDING FUND EXPENDITURES AND REVENUE
FY 1988-89 TO FY 1992-93

EXPENDITURES	FY88-89 ACTUAL	FY89-90 BUDGET	FY90-91 PROJECTED	FY91-92 PROJECTED	FY92-93 PROJECTED
-----	-----	-----	-----	-----	-----
Personal Services	\$55,996	\$73,109	\$77,134	\$79,640	\$82,257
(FTE)	(1.83)	(1.83)	(1.83)	(1.83)	(1.83)
Material & Svcs.	\$440,909	\$463,434	\$478,844	\$545,150	\$555,907
Capital Outlay	\$23,242	\$26,300	\$31,800	\$31,800	\$31,800
-----	-----	-----	-----	-----	-----
Subtotal	\$520,147	\$562,843	\$587,778	\$656,590	\$669,964
CONTINGENCY	\$0	\$42,167	\$50,000	\$50,000	\$50,000
UNAPPROP. BALANCE *	\$0	\$75,800	\$25,000	\$25,000	\$25,000
=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	\$520,147	\$680,810	\$662,778	\$731,590	\$744,964

* Building lease termination clause amount.

REVENUE

-----	-----	-----	-----	-----	-----
Sublease Income	\$131,808	\$166,589	\$148,000	\$165,760	\$165,760
Parking Fees	\$50,893	\$50,995	\$55,000	\$55,000	\$55,000
Miscellaneous	\$245	\$0	\$0	\$0	\$0
Trans SW Oper Fund**	\$0	\$75,000	\$25,000	\$25,000	\$25,000
Trans Zoo Oper Fund	\$0	\$0	\$0	\$0	\$0
Trans Planning Fund	\$56,560	\$79,810	\$94,951	\$106,100	\$109,021
Trans SW Oper Fund	\$64,485	\$74,773	\$89,199	\$99,673	\$102,461
Trans MERC Fund	\$18,209	\$0	\$0	\$0	\$0
Trans Conv Ctr Fund	\$18,209	\$22,083	\$0	\$0	\$0
Trans General Fund	\$179,728	\$210,760	\$0	\$0	\$0
Trans Gen Govt Fund	\$0	\$0	\$88,860	\$99,294	\$102,028
All Other	\$0	\$0	\$161,768	\$180,763	\$185,739
=====	=====	=====	=====	=====	=====
TOTAL REVENUE	\$520,137	\$680,010	\$662,778	\$731,590	\$745,009

** Amount to cover building lease termination clause.

PROJECTED FY 1990-91 SUPPORT SERVICES FUND
COST INCREASES

Office of General Counsel

Secretary	\$ 23,530
Legal Counsel	45,015
Capital	<u>9,500</u>
	\$ 78,045

Finance & Administration

Accounting Clerk 2	\$ 25,945
Accounting Clerk 3	28,615
Data Entry Clerk	21,340
Administrative Assistant	30,050
Data Processing Operator	30,050
Capital	20,000
Materials & Services	<u>25,000</u>
	\$181,000

Personnel

Data Entry Clerk	\$ 21,340
Capital	<u>3,500</u>
	\$ 24,840

Public Affairs

Program Assistant 2	\$ 28,615
Capital	<u>7,500</u>
	\$ 36,115

TOTAL	9 FTE	\$320,000
-------	-------	-----------

Assumptions

1. Capital costs are one time expenses.
2. Construction/Engineering Section costs are not budgeted in the Support Services Fund.
3. All positions hired at the beginning rate.
4. Personnel costs include salary and fringe.
5. Fringe rate at 35 percent.

JS/srs
js\misc\ssfund

Worksheet1

	A	B	C	D	E	F	G
1	Excise Tax						
2	Based on L&H, 1989 Study						
3							
4		base year		90-91*	91-92	92-93	93-94
5							
6	Rentals	\$908,843		\$432,782	\$699,110	\$757,369	\$826,221
7	Concessions	\$424,127		\$201,965	\$326,252	\$353,439	\$385,570
8	Event Labor	\$265,220		\$126,295	\$204,015	\$221,017	\$241,109
9	Equip. Rental	\$94,882		\$45,182	\$72,986	\$79,068	\$86,256
10	Utility Servic	\$359,258		\$171,075	\$276,352	\$299,382	\$326,598
11	Parking	\$295,064		\$140,507	\$226,972	\$245,887	\$268,240
12							
13							
14		\$2,347,394		\$1,117,807	\$1,805,688	\$1,956,162	\$2,133,995
15							
16	est. cars park	98355		46836	75657	81962	89413
17	gross food sales (Fine Host projections)			\$949,280	\$1,895,600	\$1,585,400	\$1,650,000
18	attendees	165000	(stabilized year)				
19	*partial year (estimate)			140%	130%	120%	110%
20				of stable year	of stable year	of stable year	of stable year
21							
22							

TABLE 9

COMPARISON OF COSTS AND ESTIMATED SOLID WASTE
RATES AMONG FUNDING OPTIONS AND
CURRENT FUNDING SYSTEM

	FY 1990-91 PROJECTED	FY 1991-92 PROJECTED	FY 1992-93 PROJECTED	AVERAGE
ESTIMATED TONS	1,047,422	1,024,822	1,023,657	1,031,967
OPTION A				
Option A Cost Rate/Ton	\$3,023,925 \$2.89	\$3,118,424 \$3.04	\$3,181,849 \$3.11	\$3,108,066 \$3.01
Current Cost Rate/Ton	\$2,031,815 \$1.94	\$2,302,130 \$2.25	\$2,425,895 \$2.37	\$2,253,280 \$2.18
Difference Cost Rate/Ton	\$992,110 \$0.95	\$816,294 \$0.80	\$755,954 \$0.74	\$854,786 \$0.83
OPTION B				
Option B Cost Rate/Ton	\$3,128,667 \$2.99	\$3,220,906 \$3.14	\$3,284,215 \$3.21	\$3,211,263 \$3.11
Current Cost Rate/Ton	\$2,031,815 \$1.94	\$2,302,130 \$2.25	\$2,425,895 \$2.37	\$2,253,280 \$2.18
Difference Cost Rate/Ton	\$1,096,852 \$1.05	\$918,776 \$0.90	\$858,320 \$0.84	\$957,983 \$0.93
OPTION C				
Option C Cost Rate/Ton	\$3,442,894 \$3.29	\$3,528,470 \$3.44	\$3,591,312 \$3.51	\$3,520,892 \$3.41
Current Cost Rate/Ton	\$2,031,815 \$1.94	\$2,302,130 \$2.25	\$2,425,895 \$2.37	\$2,253,280 \$2.18
Difference Cost Rate/Ton	\$1,411,079 \$1.35	\$1,226,340 \$1.20	\$1,165,417 \$1.14	\$1,267,612 \$1.23



METRO

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

Memorandum

Date: March 12, 1990
To: Rena Cusma, Executive Officer
From: Gwen Ware-Barrett ^{gwb} Clerk of the Council
Regarding: TRANSMITTAL OF ORDINANCE NO. 90-333A

Attached for your consideration is a true copy of Ordinance No. 90-333A adopted by the Council on March 8, 1990.

If you wish to veto these ordinances, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, March 15, 1990. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time and date stated above, this ordinance will be considered finally adopted.

I, Unette Thorley, received this memo and a true copy of Ordinance Nos. 90-333A from the Council Clerk on March 12, 1990.

Dated: 3/12/90

GWPB:lc
\MEM.ORD



METRO

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

Memorandum

DATE: January 30, 1990

TO: Finance Committee *DEC*

FROM: Donald E. Carlson, Council Administrator

RE: Draft Material on Excise Tax and Schedule
for Consideration

Please find attached draft copies of: 1) a memo titled Actual and Projected Revenue and Expenditures for Proposed General Government and Support Service Funds - FY 1988-89 to FY 1992-93; and 2) the proposed excise tax ordinance. This information is in draft form for your review at the February 1, 1990 Committee meeting.

For the excise tax to be effective on July 1, 1990 (at the beginning of FY 1990-91), the ordinance imposing the tax must be adopted no later than the second Council meeting in March. This enables the 90 day referendum period to occur prior to July 1, 1990. The following schedule is proposed to meet the July 1, 1990 effective date:

<u>DATE</u>	<u>EVENT</u>
February 8, 1990	Council meeting: First reading and referral of excise tax ordinance.
February 15, 1990	Finance Committee meeting: First public hearing on excise tax ordinance.
March 1, 1990	Finance Committee meeting: Second public hearing and action on excise tax ordinance.
March 8, 1990	Council meeting: Second reading and public hearing on excise tax ordinance. Council action as appropriate.
March 22, 1990	Council meeting: Council action if matter deferred from March 8 meeting.

The above schedule provides interested persons the opportunity of at least three public hearings on this matter. It gives the Council two meetings to consider the matter.

DEC:aeb
Attach.
A:FINEXCI.MEM



METRO

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

Memorandum

DATE: March 6, 1990

TO: Metro Council *DE*

FROM: Donald E. Carlson, Council Administrator

RE: Revised Information on Impact of Proposed Excise Tax

The purpose of this memo is to revise the information presented to the Finance Committee on the estimated impact of the proposed excise tax. The information included in this memo should replace the information contained in the Carlson/Phelps memo dated 2/26/90 titled "Impact of Proposed Excise Tax." The reason for this revision is that more up-to-date information has been obtained by the Department of Finance and Administration, particularly with respect to the proposed FY 1990-91 revenue estimates for the Oregon Convention Center. Appendix 1 attached explains the changes in the estimated revenue from which the excise tax will be obtained. The major change is that estimated revenue from the Oregon Convention Center has been increased by \$1,547,663 over the earlier estimate to reflect gross revenue received for use of the facility and services rather than only net revenue.

The change in revenue estimates changes the impact on the users of the various District services and facilities. Table 1 shows the summary of the net added cost to various users of Metro facilities and services as a result of imposing the tax at different levels. As was the case in the earlier memo, the net added cost is the difference between the combination of excise tax revenue and the projected Support Service Fund transfer under the excise tax scenario minus the projected transfer to the General Fund under the current General Fund transfer scenario. A minus number means there will be a lower cost to the appropriate operating fund if the tax is implemented and no increased cost to users of the facility or services. The net added cost numbers on Table 1 are derived from the information provided in Exhibits 1A through 5A attached.

Table 1 shows that there will be an increase in the net added cost to users of the solid waste disposal system as a result of the imposition of the tax. The net added cost on an average annual basis for the next three years to solid waste users ranges from \$539,735 for the Base Case (General Government costs only) to \$1,833,110 for Option D (Base Case plus \$1,500,000 for planning).

METRO COUNCIL
March 6, 1990
Page 2

Table 1 shows that users of the Convention Center will experience a net added cost on a three year average annual basis with Option B (Base Case plus \$1,000,000 for planning).

Table 2 shows the impact on users of the solid waste disposal system. The net added cost per ton ranges from \$.52 for the Base Case to \$1.78 for Option D on an annual average basis for three years. The net added cost on an average annual basis for three years for the typical resident ranges from \$.62 per year for the Base Case to \$2.14 per year for Option D. Similar net added costs for the selected business range from \$27.04 per year (Base Case) to \$92.56 per year (Option D).

DEC:aeb
Attachment

A:\0306MEMO.DEC

TABLE 1

SUMMARY OF THE NET ADDED COST TO
USERS OF METRO FACILITIES AND SERVICES*

NET ADDED COST**	90-91	91-92	92-93	ANNUAL AVERAGE
SOLID WASTE				
BASE	\$493,737	\$552,121	\$574,347	\$539,735
OPTION A	\$924,862	\$983,246	\$1,005,472	\$970,860
OPTION B	\$1,355,987	\$1,414,371	\$1,436,597	\$1,401,985
OPTION C	\$1,571,549	\$1,629,933	\$1,652,159	\$1,617,547
OPTION D	\$1,787,112	\$1,845,496	\$1,867,722	\$1,833,110
ZOO				
BASE	(\$153,907)	(\$157,870)	(\$166,962)	(\$159,580)
OPTION A	(\$109,072)	(\$113,035)	(\$122,127)	(\$114,745)
OPTION B	(\$64,237)	(\$68,200)	(\$77,292)	(\$69,910)
OPTION C	(\$41,820)	(\$45,783)	(\$54,875)	(\$47,493)
OPTION D	(\$19,402)	(\$23,365)	(\$32,457)	(\$25,075)
PLANNING				
BASE	(\$281,088)	(\$322,213)	(\$338,980)	(\$314,094)
OPTION A	(\$280,443)	(\$321,568)	(\$338,335)	(\$313,449)
OPTION B	(\$279,798)	(\$320,923)	(\$337,690)	(\$312,804)
OPTION C	(\$279,476)	(\$320,601)	(\$337,368)	(\$312,482)
OPTION D	(\$279,153)	(\$320,278)	(\$337,045)	(\$312,159)
CON. CNTR/MERC				
BASE	(\$90,148)	(\$5,217)	(\$6,428)	(\$33,932)
OPTION A	(\$67,963)	\$16,968	\$15,757	(\$11,747)
OPTION B	(\$45,778)	\$39,153	\$37,942	\$10,438
OPTION C	(\$34,685)	\$50,246	\$49,035	\$21,531
OPTION D	(\$23,593)	\$61,338	\$60,127	\$32,623

* See attached Exhibits 1 through 5 and Exhibits 1A through 5A for the derivation of the above numbers.

** Net added cost is the difference between the combination of tax revenue and the projected transfer to the new Support Service Fund minus the projected transfer to the General Fund necessary if the tax is not implemented. A minus number means there will be a lower cost to the appropriate operating fund if the tax is implemented and no increased cost to users of the facility or services.

TABLE 2

IMPACT OF EXCISE TAX ON SOLID WASTE USERS

	90-91	91-92	92-93	ANNUAL AVERAGE
NET ADDED COST				
BASE	\$493,737	\$552,121	\$574,347	\$539,735
OPTION A	\$924,862	\$983,246	\$1,005,472	\$970,860
OPTION B	\$1,355,987	\$1,414,371	\$1,436,597	\$1,401,985
OPTION C	\$1,571,549	\$1,629,933	\$1,652,159	\$1,617,547
OPTION D	\$1,787,112	\$1,845,496	\$1,867,722	\$1,833,110
COST/TON*				
BASE	\$0.47	\$0.54	\$0.56	\$0.52
OPTION A	\$0.88	\$0.96	\$0.98	\$0.94
OPTION B	\$1.29	\$1.38	\$1.40	\$1.36
OPTION C	\$1.50	\$1.59	\$1.61	\$1.57
OPTION D	\$1.71	\$1.80	\$1.82	\$1.78
ANNUAL COST TO TYPICAL RESIDENCE**				
BASE	\$0.56	\$0.65	\$0.67	\$0.62
OPTION A	\$1.06	\$1.15	\$1.18	\$1.13
OPTION B	\$1.55	\$1.66	\$1.68	\$1.63
OPTION C	\$1.80	\$1.91	\$1.93	\$1.88
OPTION D	\$2.05	\$2.16	\$2.18	\$2.14
ANNUAL COST TO SELECTED BUSINESS***				
BASE	\$24.44	\$28.08	\$29.12	\$27.04
OPTION A	\$45.76	\$49.92	\$50.96	\$48.88
OPTION B	\$67.08	\$71.76	\$72.80	\$70.72
OPTION C	\$78.00	\$82.68	\$83.72	\$81.64
OPTION D	\$88.92	\$93.60	\$94.64	\$92.56

* Based on the following projected tonnages: 1,047,422 in 1990; 1,024,882 in 1991; 1,023,657 in 1992; and an annual average of 1,031,987.

** Estimated at \$.10 per month cost for each \$1.00 per ton (based on 45 pounds of solid waste disposed of per week).

Calculation: 45 lbs. x 52 = 2340 lbs. per year

2340 - 2,000 = 1.17 tons

1.17 x \$1.00 = \$1.17

\$1.17 - 12 = \$.0975 per month

*** Estimated at \$4.34 per month cost for each \$1.00 per ton (based on 2,000 pounds of solid waste disposed of per week).

Calculation: 2,000 lbs. x 52 = 104,000 lbs. per year

104,000 - 2,000 = 52 tons

52 x 1.00 = \$52.00

\$52 - 12 = \$4.34 per month

EXHIBIT 1

BASE CASE GENERAL GOVERNMENT

	90-91	91-92	92-93
<hr/>			
EXPENDITURES			
=====			
COUNCIL	\$603,040	\$628,818	\$663,709
(FTE)	(8.30)	(8.30)	(8.30)
EXECUTIVE MANAGEMENT	\$500,998	\$468,958	\$488,392
(FTE)	(7.00)	(7.00)	(7.00)
SUB-TOTAL	\$1,104,038	\$1,097,776	\$1,152,101
(FTE)	(15.30)	(15.30)	(15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$0	\$0	\$0
SUB-TOTAL	\$450,153	\$473,966	\$492,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$1,629,191	\$1,646,742	\$1,719,529
REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX*	\$1,303,718	\$1,556,742	\$1,629,529
TOTAL REVENUE	\$1,629,191	\$1,646,742	\$1,719,529

* Based on FY 90-91 proposed budget revenue estimate (Appendix 1) the estimated excise tax rates for three projected years are as follows:

FY 90-91	2.17%
FY 91-92	2.59%
FY 92-93	2.71%

EXHIBIT 1A

COMPARISON OF COSTS TO USERS (BASE CASE)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,125,131	\$1,342,301	\$1,405,061	\$1,290,498
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$2,525,552	\$2,872,251	\$3,000,242	\$2,799,015
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$493,737	\$552,121	\$574,347	\$539,735
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$116,904	\$139,593	\$146,120	\$134,206
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$717,704	\$837,435	\$873,715	\$809,618
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$153,907)	(\$157,870)	(\$166,962)	(\$159,580)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,682	\$2,008	\$2,130	\$1,940
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$628,912	\$716,932	\$747,536	\$697,793
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$281,088)	(\$322,213)	(\$338,980)	(\$314,094)
<hr/>				
CONV. CNTR/MERC				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$57,846	\$69,073	\$72,302	\$66,407
TAX REVENUE (Planning)	\$0	\$0	\$0	\$0
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$581,173	\$426,245	\$444,702	\$484,039
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$90,148)	(\$5,217)	(\$6,428)	(\$33,932)

EXHIBIT 2

GENERAL GOVERNMENT AND PLANNING (Option A)

	90-91	91-92	92-93
EXPENDITURES			
COUNCIL (FTE)	\$603,040 (8.30)	\$628,818 (8.30)	\$663,709 (8.30)
EXECUTIVE MANAGEMENT (FTE)	\$500,998 (7.00)	\$468,958 (7.00)	\$488,392 (7.00)
SUB-TOTAL (FTE)	\$1,104,038 (15.30)	\$1,097,776 (15.30)	\$1,152,101 (15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$500,000	\$500,000	\$500,000
SUB-TOTAL	\$950,153	\$973,966	\$992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,129,191	\$2,146,742	\$2,219,529

REVENUE			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX*	\$1,803,718	\$2,056,742	\$2,129,529
TOTAL REVENUE	\$2,129,191	\$2,146,742	\$2,219,529

* Based on FY 90-91 proposed budget revenue estimate (Appendix 1)
the estimated excise tax rates for three projected years are as follows:

FY 90-91	3.00%
FY 91-92	3.42%
FY 92-93	3.70%

EXHIBIT 2A

COMPARISON OF COSTS TO USERS (Planning Option A)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
SOLID WASTE				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,125,131	\$1,342,301	\$1,405,061	\$1,290,498
TAX REVENUE (Planning)	\$431,125	\$431,125	\$431,125	\$431,125
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
SUB-TOTAL	\$2,956,677	\$3,303,376	\$3,431,367	\$3,230,140
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
DIFFERENCE	\$924,862	\$983,246	\$1,005,472	\$970,860
ZOO				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$116,904	\$139,593	\$146,120	\$134,206
TAX REVENUE (Planning)	\$44,835	\$44,835	\$44,835	\$44,835
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
SUB-TOTAL	\$762,539	\$882,270	\$918,550	\$854,453
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
DIFFERENCE	(\$109,072)	(\$113,035)	(\$122,127)	(\$114,745)
PLANNING				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,682	\$2,008	\$2,130	\$1,940
TAX REVENUE (Planning)	\$645	\$645	\$645	\$645
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
SUB-TOTAL	\$629,557	\$717,577	\$748,181	\$698,438
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
DIFFERENCE	(\$280,443)	(\$321,568)	(\$338,335)	(\$313,449)
CONV. CNTR/MERC				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$57,846	\$69,073	\$72,302	\$66,407
TAX REVENUE (Planning)	\$22,185	\$22,185	\$22,185	\$22,185
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
SUB-TOTAL	\$603,358	\$448,430	\$466,887	\$506,224
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
DIFFERENCE	(\$67,963)	\$16,968	\$15,757	(\$11,747)

EXHIBIT 3

GENERAL GOVERNMENT AND PLANNING (Option B)

	90-91	91-92	92-93
<hr/>			
EXPENDITURES			
=====			
COUNCIL	\$603,040	\$628,818	\$663,709
(FTE)	(8.30)	(8.30)	(8.30)
EXECUTIVE MANAGEMENT	\$500,998	\$468,958	\$488,392
(FTE)	(7.00)	(7.00)	(7.00)
SUB-TOTAL	\$1,104,038	\$1,097,776	\$1,152,101
(FTE)	(15.30)	(15.30)	(15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,000,000	\$1,000,000	\$1,000,000
SUB-TOTAL	\$1,450,153	\$1,473,966	\$1,492,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,629,191	\$2,646,742	\$2,719,529
REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX*	\$2,303,718	\$2,556,742	\$2,629,529
TOTAL REVENUE	\$2,629,191	\$2,646,742	\$2,719,529

* Based on FY 90-91 proposed budget revenue estimate (Appendix 1)
the estimated excise tax rates for three projected years are as
follows:

FY 90-91	3.84%
FY 91-92	4.26%
FY 92-93	4.38%

EXHIBIT 3A

COMPARISON OF COSTS TO USERS (Planning Option B)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,125,131	\$1,342,301	\$1,405,061	\$1,290,498
TAX REVENUE (Planning)	\$862,250	\$862,250	\$862,250	\$862,250
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,387,802	\$3,734,501	\$3,862,492	\$3,661,265
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,355,987	\$1,414,371	\$1,436,597	\$1,401,985
<hr/>				
ZOO				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$116,904	\$139,593	\$146,120	\$134,206
TAX REVENUE (Planning)	\$89,670	\$89,670	\$89,670	\$89,670
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$807,374	\$927,105	\$963,385	\$899,288
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$64,237)	(\$68,200)	(\$77,292)	(\$69,910)
<hr/>				
PLANNING				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,682	\$2,008	\$2,130	\$1,940
TAX REVENUE (Planning)	\$1,290	\$1,290	\$1,290	\$1,290
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,202	\$718,222	\$748,826	\$699,083
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,798)	(\$320,923)	(\$337,690)	(\$312,804)
<hr/>				
CONV. CNTR/MERC				
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EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$57,846	\$69,073	\$72,302	\$66,407
TAX REVENUE (Planning)	\$44,370	\$44,370	\$44,370	\$44,370
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$625,543	\$470,615	\$489,072	\$528,409
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$45,778)	\$39,153	\$37,942	\$10,438

EXHIBIT 4

GENERAL GOVERNMENT AND PLANNING (Option C)

	90-91	91-92	92-93
<hr/>			
EXPENDITURES			
=====			
COUNCIL	\$603,040	\$628,818	\$663,709
(FTE)	(8.30)	(8.30)	(8.30)
EXECUTIVE MANAGEMENT	\$500,998	\$468,958	\$488,392
(FTE)	(7.00)	(7.00)	(7.00)
SUB-TOTAL	\$1,104,038	\$1,097,776	\$1,152,101
(FTE)	(15.30)	(15.30)	(15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,250,000	\$1,250,000	\$1,250,000
SUB-TOTAL	\$1,700,153	\$1,723,966	\$1,742,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
TOTAL EXPENDITURES	\$2,879,191	\$2,896,742	\$2,969,529

REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX*	\$2,553,718	\$2,806,742	\$2,889,529
TOTAL REVENUE	\$2,879,191	\$2,896,742	\$2,979,529

* Based on FY 90-91 proposed budget revenue estimate (Appendix 1)
the estimated excise tax rates for three projected years are as follows:

FY 90-91	4.21%
FY 91-92	4.67%
FY 92-93	4.81%

EXHIBIT 4A

COMPARISON OF COSTS TO USERS (Planning Option C)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
<hr/>				
SOLID WASTE				
<hr/>				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,125,131	\$1,342,301	\$1,405,061	\$1,290,498
TAX REVENUE (Planning)	\$1,077,812	\$1,077,812	\$1,077,812	\$1,077,812
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
	=====	=====	=====	=====
SUB-TOTAL	\$3,603,364	\$3,950,063	\$4,078,054	\$3,876,827
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
	=====	=====	=====	=====
DIFFERENCE	\$1,571,549	\$1,629,933	\$1,652,159	\$1,617,547

ZOO

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$116,904	\$139,593	\$146,120	\$134,206
TAX REVENUE (Planning)	\$112,087	\$112,087	\$112,087	\$112,087
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
	=====	=====	=====	=====
SUB-TOTAL	\$829,791	\$949,522	\$985,802	\$921,705
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
	=====	=====	=====	=====
DIFFERENCE	(\$41,820)	(\$45,783)	(\$54,875)	(\$47,493)

PLANNING

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,682	\$2,008	\$2,130	\$1,940
TAX REVENUE (Planning)	\$1,612	\$1,612	\$1,612	\$1,612
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
	=====	=====	=====	=====
SUB-TOTAL	\$630,524	\$718,544	\$749,148	\$699,405
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
	=====	=====	=====	=====
DIFFERENCE	(\$279,476)	(\$320,601)	(\$337,368)	(\$312,482)

CONV. CNTR/MERC

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$57,846	\$69,073	\$72,302	\$66,407
TAX REVENUE (Planning)	\$55,463	\$55,463	\$55,463	\$55,463
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
	=====	=====	=====	=====
SUB-TOTAL	\$636,636	\$481,708	\$500,165	\$539,502
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
	=====	=====	=====	=====
DIFFERENCE	(\$34,685)	\$50,246	\$49,035	\$21,531

EXHIBIT 5

GENERAL GOVERNMENT AND PLANNING (Option D)

	90-91	91-92	92-93
<hr/>			
EXPENDITURES			
=====			
COUNCIL	\$603,040	\$628,818	\$663,709
(FTE)	(8.30)	(8.30)	(8.30)
EXECUTIVE MANAGEMENT	\$500,998	\$468,958	\$488,392
(FTE)	(7.00)	(7.00)	(7.00)
SUB-TOTAL	\$1,104,038	\$1,097,776	\$1,152,101
(FTE)	(15.30)	(15.30)	(15.30)
TRANSFERS			
BUILDING FUND	\$88,860	\$99,294	\$102,028
INSURANCE FUND	\$17,000	\$17,500	\$18,000
SUPPORT SERVICE FUND	\$344,293	\$357,172	\$372,400
PLANNING FUND	\$1,500,000	\$1,500,000	\$1,500,000
SUB-TOTAL	\$1,950,153	\$1,973,966	\$1,992,428
CONTINGENCY	\$75,000	\$75,000	\$75,000
	=====	=====	=====
TOTAL EXPENDITURES	\$3,129,191	\$3,146,742	\$3,219,529

REVENUE			
=====			
FUND BALANCE	\$310,473	\$75,000	\$75,000
INTEREST	\$15,000	\$15,000	\$15,000
EXCISE TAX*	\$2,803,718	\$3,056,742	\$3,129,529
	=====	=====	=====
TOTAL REVENUE	\$3,129,191	\$3,146,742	\$3,219,529

* Based on FY 90-91 proposed budget revenue estimate (Appendix 1)
the estimated excise tax rates for three projected years are as follows:

FY 90-91	4.67%
FY 91-92	5.09%
FY 92-93	5.21%

EXHIBIT 5A

COMPARISON OF COSTS TO USERS (Planning Option D)

o EXCISE TAX SCENARIO

o CURRENT TRANSFER SYSTEM SCENARIO

	90-91	91-92	92-93	ANNUAL AVERAGE
SOLID WASTE				
EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,125,131	\$1,342,301	\$1,405,061	\$1,290,498
TAX REVENUE (Planning)	\$1,293,375	\$1,293,375	\$1,293,375	\$1,293,375
TRANSFER TO SUP.SVCS.	\$1,400,421	\$1,529,950	\$1,595,181	\$1,508,517
SUB-TOTAL	\$3,818,927	\$4,165,626	\$4,293,617	\$4,092,390
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$2,031,815	\$2,320,130	\$2,425,895	\$2,259,280
DIFFERENCE	\$1,787,112	\$1,845,496	\$1,867,722	\$1,833,110

ZOO

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$116,904	\$139,593	\$146,120	\$134,206
TAX REVENUE (Planning)	\$134,505	\$134,505	\$134,505	\$134,505
TRANSFER TO SUP.SVCS.	\$600,800	\$697,842	\$727,595	\$675,412
SUB-TOTAL	\$852,209	\$971,940	\$1,008,220	\$944,123
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$871,611	\$995,305	\$1,040,677	\$969,198
DIFFERENCE	(\$19,402)	(\$23,365)	(\$32,457)	(\$25,075)

PLANNING

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$1,682	\$2,008	\$2,130	\$1,940
TAX REVENUE (Planning)	\$1,935	\$1,935	\$1,935	\$1,935
TRANSFER TO SUP.SVCS.	\$627,230	\$714,924	\$745,406	\$695,853
SUB-TOTAL	\$630,847	\$718,867	\$749,471	\$699,728
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$910,000	\$1,039,145	\$1,086,516	\$1,011,887
DIFFERENCE	(\$279,153)	(\$320,278)	(\$337,045)	(\$312,159)

CONV. CNTR/MERC

EXCISE TAX SCENARIO				
TAX REVENUE (Gen Govt)	\$57,846	\$69,073	\$72,302	\$66,407
TAX REVENUE (Planning)	\$66,555	\$66,555	\$66,555	\$66,555
TRANSFER TO SUP.SVCS.	\$523,327	\$357,172	\$372,400	\$417,632
SUB-TOTAL	\$647,728	\$492,800	\$511,257	\$550,594
TRANSFER SYSTEM SCENARIO				
TRANSFER TO GEN. FUND	\$671,321	\$431,462	\$451,130	\$517,971
DIFFERENCE	(\$23,593)	\$61,338	\$60,127	\$32,623



METRO

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

Memorandum

DATE: March 2, 1990

TO: Don Carlson, Council Administrator

FROM: Ray Phelps, ^{Ray}Director Finance & Administration

REFERENCE: Reconciliation of Excise Tax Tables

1. Table 1 is the calculation of excise tax using 6% of the revenue in the budget as of March 2, 1990, to which the tax might be applied.
2. Table 2 is the table previously presented to the Council.
3. The differences are:
 - a. All groups revenue inputs were adjusted downward so that the addition of a 5.39% excise tax to the reduced number would bring their revenue back to their original values.
 - b. Building Management, Zoo, Planning and Development, General Fund and Transportation had their budgets in on time so no further adjustments were made to their forecast revenue. At the council's request a 6% number instead of 5.39% is being applied to the new number to determine the excise tax.
 - b. The current budgets for the Oregon Convention Center were not received until March 1 so table 2 used estimates from the Laventhol and Horwath report while table 1 has new data from the Metropolitan Exposition Recreation Commission.
 - c. The current budget for the Solid Waste Department was received February 23 and is incorporated in Table 1.
 - d. At the council's request table 1 applies a 6% tax rate to the applicable revenues for all departments instead of the 5.39% of table 2.

cc: Rena Cusma
Richard Carson
Andy Cotugno
Lee Fehrenkamp
Bob Martin
Neil McFarlane
Neil Saling
Sherry Sheng
Jennifer Sims

BR/

TABLE 1
EXCISE TAX CALCULATIONS

REVENUE	Budget FY 1990-91	TAX @ 6.00%
GENERAL FUND		
339200 Contract Services	\$0	\$0
341500 Documents & Publications	\$0	\$0
Subtotal	\$0	\$0
BUILDING MANAGEMENT		
347220 Sublease Income	\$94,732	\$5,684
374000 Parking Fees	\$50,871	\$3,052
Subtotal	\$145,603	\$8,736
ZOO		
347100 Admissions	\$2,208,262	\$132,496
347210 Rental-Conveyances	\$37,384	\$2,243
347220 Rentals-Building	\$0	\$0
347311 Food Service-Regular/Food	\$1,774,763	\$106,486
347312 Food Service-Regular/Beer & Wine	\$49,339	\$2,960
347321 Food Service-Catering/Food	\$249,544	\$14,973
347322 Food Service-Catering/Beer & Wine	\$33,209	\$1,993
347400 Retail Sales	\$496,138	\$29,768
347410 Retail Sales-Vending	\$44,738	\$2,684
347910 Tuition & Lectures	\$106,456	\$6,387
347920 Exhibit Shows/Zoo	\$12,335	\$740
347930 Railroad Rides	\$373,841	\$22,430
Subtotal	\$5,386,009	\$323,161
Solid Waste		
341500 Documents & Publications	\$2,372	\$142
3431XX Tip Fee Metro Facilities	\$40,714,794	\$2,442,888
Tip Fee Non-Metro Facilities	\$10,795,201	\$647,712
343180 Special Waste Fee	\$277,635	\$16,658
343200 Franchise Fee	\$1,139	\$68
343900 Tarp Sale	\$759	\$46
Subtotal	\$51,791,900	\$3,107,514
PLANNING AND DEVELOPMENT FUND		
339200 Contract Services (Private)	\$0	\$0
341310 UGB Fees	\$1,423	\$85
341500 Documents & Publications	\$9,488	\$569
341600 Conferences & Workshops	\$18,977	\$1,139
Subtotal	\$29,888	\$1,793
TRANSPORTATION		
339200 Contract Services (Private)	\$28,465	\$1,708
341500 Documents & Publications	\$18,977	\$1,139
341600 Conferences & Workshops	\$0	\$0
Subtotal	\$47,442	\$2,847
OREGON CONVENTION CENTER		
Rentals	\$709,345	\$42,561
Concessions	\$1,061,042	\$63,663
Event Labor	\$185,532	\$11,132
Utility Service	\$314,247	\$18,855
Parking	\$395,303	\$23,718
Subtotal	\$2,665,469	\$159,928
TOTAL	\$60,066,311	\$3,603,979

TABLE 2
PRELIMINARY ANALYSIS OF EXCISE TAX ALTERNATIVES

TOTAL REVENUE REQUIRED		\$2,000,000	\$2,500,000	\$2,750,000
PERCENT EXCISE TAX REQUIRED		3.53%	4.45%	4.92%
REVENUE	Budget	Potential	Potential	Potential
	FY 1990-91	Tax Revenue	Tax Revenue	Tax Revenue
GENERAL FUND				
339200 Contract Services	\$0	\$0	\$0	\$0
341500 Documents & Publications	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0
BUILDING MANAGEMENT				
347220 Sublease Income	\$99,840	\$3,406	\$4,257	\$4,683
374000 Parking Fees	\$53,614	\$1,893	\$2,286	\$2,515
Subtotal	\$153,454	\$5,299	\$6,543	\$7,197
ZOO				
347100 Admissions	\$2,327,339	\$79,385	\$99,231	\$109,154
347210 Rental-Conveyances	\$39,400	\$1,344	\$1,680	\$1,848
347220 Rentals-Building	\$0	\$0	\$0	\$0
347311 Food Service-Regular/Food	\$1,870,465	\$63,801	\$79,751	\$87,726
347312 Food Service-Regular/Beer & Wine	\$52,000	\$1,774	\$2,217	\$2,439
347321 Food Service-Catering/Food	\$263,000	\$8,971	\$11,214	\$12,335
347322 Food Service-Catering/Beer & Wine	\$35,000	\$1,194	\$1,492	\$1,642
347400 Retail Sales	\$522,891	\$17,836	\$22,295	\$24,524
347410 Retail Sales-Vending	\$47,150	\$1,608	\$2,010	\$2,211
347910 Tuition & Lectures	\$112,197	\$3,827	\$4,784	\$5,262
347920 Exhibit Shows/Zoo	\$13,000	\$443	\$554	\$610
347930 Railroad Rides	\$394,000	\$13,439	\$16,799	\$18,479
Subtotal	\$5,676,442	\$193,622	\$242,027	\$266,230
Solid Waste				
341500 Documents & Publications	\$2,500	\$85	\$107	\$117
3431XX Tip Fee	\$51,303,220	\$1,749,938	\$2,187,423	\$2,406,165
343180 Special Waste Fee	\$292,600	\$9,981	\$12,476	\$13,723
343200 Franchise Fee	\$6,000	\$205	\$256	\$281
343900 Tarp Sale	\$800	\$27	\$34	\$38
Subtotal	\$51,605,120	\$1,760,236	\$2,200,295	\$2,420,324
PLANNING AND DEVELOPMENT FUND				
339200 Contract Services (Private)	\$0	\$0	\$0	\$0
341310 UGB Fees	\$1,500	\$51	\$64	\$70
341500 Documents & Publications	\$10,000	\$341	\$426	\$469
341600 Conferences & Workshops	\$20,000	\$682	\$853	\$938
Subtotal	\$31,500	\$1,074	\$1,343	\$1,477
TRANSPORTATION				
339200 Contract Services (Private)	\$30,000	\$1,023	\$1,279	\$1,407
341500 Documents & Publications	\$20,000	\$682	\$853	\$938
341600 Conferences & Workshops	\$0	\$0	\$0	\$0
Subtotal	\$50,000	\$1,705	\$2,132	\$2,345
CONVENTION CENTER 90-91 EST. by L&H				
Rentals	\$432,782	\$14,762	\$18,453	\$20,298
Concessions	\$201,965	\$6,889	\$8,611	\$9,472
Event Labor	\$126,295	\$4,308	\$5,385	\$5,923
Equipment Rental	\$45,182	\$1,541	\$1,926	\$2,119
Utility Service	\$171,075	\$5,835	\$7,294	\$8,024
Parking	\$140,507	\$4,793	\$5,991	\$6,590
Subtotal	\$1,117,806	\$38,128	\$47,660	\$52,426
TOTAL	\$58,634,322	\$2,000,065	\$2,500,000	\$2,750,000



METRO

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

Memorandum

DATE: March 6, 1990
TO: Metro Council
FROM: Councilor Judy Wyers *J.W.*
RE: Referral of Excise Tax Ordinance (No. 90-333A) to District Voters

This is to inform you that I will not file a Minority Report on Ordinance No. 90-333A. However, I will propose an amendment to the Ordinance at the appropriate time to refer Ordinance No. 90-333A to the voters of the District.

Attached for your consideration is a copy of my proposed amendment. The amendment provides for an election on the excise tax at the June 26, 1990 special election date and for the tax to be effective, if approved by the voters, on July 1, 1990.

I am proposing this amendment as a means to maintain Metro's credibility with constituents of the District. Not many persons are knowledgeable of this proposed tax. Once the public is aware that it was imposed without their direct approval, I am concerned they will feel that the Council has "put one over on the public." Such a feeling, widely held, will negatively affect our credibility with District constituents and make it harder to carry out the business of the District in the long run.

JW:DEC:aeb
Attachment

A:0306MEMO.JW

BRACKETED MATERIAL

necessary for the performance of the duties of advising or representing the Executive Officer.

~~7.01.140--Appeals-to-Metro-Council.--A-person-aggrieved-by-any decision-of-the-Executive-Officer-under-this-Chapter-may-appeal to-the-Council-by-filing-a-notice-of-appeal-with-the-Council Clerk-within-ten-(10)-days-of-the-serving-or-the-mailing-of-the notice-of-the-decision-given-by-the-Executive-Officer.--The-Clerk shall-transmit-said-notice-of-appeal,-together-with-the-file-of said-appealed-matter-to-the-Council,-who-shall-fix-a-time-and place-for-hearing-such-appeal-pursuant-to-Chapter-2.05.~~

7.01.150 Violations. It is unlawful for any operator or other person so required to fail or refuse to register as required herein, or to furnish any return required to be made, or fail or refuse to furnish a supplemental return or other data required by the Executive Officer or to render a false or fraudulent return. No person required to make, render, sign, or verify any report shall make any false or fraudulent report, with intent to defeat or evade the determination of any amount due require by this Chapter. The Executive Officer may impose a civil penalty of up to \$500 for each violation of this Chapter. A violation includes, but is not limited to:

(a) Failure to file any required Tax payment and report, including any penalties and interest, within sixty (60) days of the due date;

(b) Filing a false or fraudulent report;

(c) Failure to register a facility with the Executive Officer as described in Section 7.01.060;

(d) Failure to maintain a separate account for the excise tax collected.

Section 3. This Ordinance shall be in force and effect on July 1, 1990, or ninety-(90)-days after its adoption by the Council, whichever date is later.

(a) This Ordinance shall be referred to the electors of the District for their approval or rejection at the election to be held on June 26, 1990. The Office of General Counsel is directed to submit an appropriate ballot title to the Council for approval.

(b) If approved by the electors this Ordinance shall be in force and effect from and after July 1, 1990.

DBC/gl



METRO

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

Memorandum

Date: March 19, 1990

To: County Clerks Office
Washington County Courthouse
150 N. First Ave.
Hillsboro, OR 97124

From: Gwen Ware-Barrett, Clerk of the Council *GWB*

Re: Ordinance No. 90-333A, An Ordinance for the
Purpose of Imposing Excise Taxes

In compliance with Section 6.01.080 of the Metro Code, I am sending you signed copies of the above ordinance.

Enclosure
GWB/lc



METRO

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

Memorandum

Date: March 19, 1990

To: John Kauffman, County Clerk
Clackamas County Courthouse
807 Main St.
Oregon City, OR 97045

From: Gwen Ware-Barrett, Clerk of the Council *GWB*

Re: Ordinance No. 90-333A, An Ordinance for the
Purpose of Imposing Excise Taxes

In compliance with Section 6.01.080 of the Metro Code, I am sending you signed copies of the above ordinance.

Enclosure
GWB/lc



METRO

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

Memorandum

Date: March 19, 1990

To: Jane McGarvin, County Clerk
Multnomah County Courthouse
1021 SW 4th Ave., Bldg. 101
Portland, OR 97204

From: Gwen Ware-Barrett, Clerk of the Council *GWB*

Re: Ordinance No. 90-333A, An Ordinance for the
Purpose of Imposing Excise Taxes

In compliance with Section 6.01.080 of the Metro Code, I am sending you signed copies of the above ordinance.

Enclosure
GWB/lc