



**MARION COUNTY BOARD OF COMMISSIONERS**  
**WORK SESSION**

**Environmental Services Fund (ESF) Discussion**  
**Minutes**

Wednesday, April 8, 2026, 10:30 a.m. – 11:00 a.m.  
Commissioners' Boardroom  
Courthouse Square, 555 Court St. NE, Suite 5231  
Salem, Oregon 97301

**ATTENDANCE:**

**Commissioner's:** Colm, Danielle Bethell and Kevin Cameron.

**Board's Office:** Alvin Kluasen, Jan Fritz, Toni Whitler, and Matt Lawyer.

**Legal Counsel:** Steve Elzinga, and Andrew Mittendorf.

**Public Works:** Andrew Johnson, Brian May, Dennis Mansfield, and Brian Nicholas.

Commissioner Colm Willis called the meeting to order at 10:30 a.m.

**1. Welcome & Introductions**

-Commissioner Colm Willis

**2. Discussion**

-All

- Focus on projected \$6.4M reduction in fund balance for Fiscal Year (FY) 2025–2026.
- Drop in beginning fund balance - networking capital:
  - From \$29.5M to a projected \$23.1M by June 30, 2026:
    - \$1.5M–\$1.6M of reduction tied to leachate disposal costs.
    - About \$3M budgeted in future years for replacement of lagoon cap.
- Includes interest earnings of \$0.9M and franchise fees from haulers \$0.5M+:
  - Plus, reimbursements for wastewater operators' work for service districts.
- Could other fund interest earnings legally cover ESF administrative costs:
  - Short-term strategy to reduce deficit and preserve balance.
- Allocation methodology for administrative costs considered fair and tied to staffing across programs:
  - Reallocation of interest would be policy decision rather than staff decision.
- Legal guidance indicating there is discretion over use of Road Fund interest:
  - Other restricted funds to be analyzed case by case based on specific statutes.
- Consider policy trade-offs of shifting interest from Road Fund or other funds to ESF:
  - Help buy time to make long-term structural changes in ESF.
  - Reduce networking capital and project capacity in Road Fund and other funds.
  - Does not resolve underlying subsidy/structural imbalance in ES program.
- Concern of waiting versus doing work of rightsizing S program:
  - Including revenue changes rather than relying primarily on cost cutting.
- Need complete picture of who is paying and not for services in broader system:
  - Households receiving some level of service without paying corresponding fee.
  - Equity implications of relying heavily on trash fee increases.

- Revisited prior and potential rate/tip fee increase discussions with Re:Source:
  - Tip fee increase first fill ESF deficit before enhancing Re:Source’s revenues.
  - Who controls tip fee revenue under franchise and operating arrangements.
- Previous Covanta model:
  - County operating gate and sharing revenue under contract.
- Current franchise model with Re:Source:
  - Limits on simply replicating Covanta structure without reopening agreements.

### **3. Other**

-All

- Road Fund on downward trajectory:
  - Wary of shifting several million dollars in interest without understanding long term financial outlook.
- Potential use of county’s risk fund to address leachate/reward related liabilities:
  - Ultimately county funds:
    - Shifting funds does not eliminate structural problem.
  - May be justification for using risk funds for certain environmental liabilities:
    - Broader system impacts must be evaluated.
- All interest investment managed by Finance:
  - Timing of cash flow needs monitored for large expenditures.
- Transparent department wide data on networking capital and interest earnings to support any policy decision on reallocating interest earnings.

### **4. Next Steps**

-All

- Present Road Fund financial overview:
  - Networking capital trajectory and long-term outlook.
  - Before committing to shifting significant interest out of it.
- Snapshot of networking capital and interest earned by fund over last three FYs:
  - Broken down clearly by fund.
- Coordinate a combined work session to:
  - Review using interest earnings from other funds to offset administrative costs in FY 2025–2026.
  - Potential use of risk fund to address liabilities and analyze system impacts.
- Obtain and/or refine legal analysis on:
  - County discretion over interest earnings from Road Fund and other restricted funds.
  - Legal constraints or requirements of reallocating interest to support ESF.
- Reschedule collective meeting with Re:Source and relevant commissioners to:
  - Review Re:Source’s cost structure and requested revenue increases.
  - Fee and structures to prioritize deficit before Re:Source’s revenue expands.
- Continue work on a long term ESF/YES program plan, including:
  - Full accounting of which customer groups are and are not paying for services.
  - Options for equitable cost sharing across service recipients.
  - Options to reduce reliance on short term fund shift and interest reallocation.

**Adjourned** – time: 11:00 a.m.

**Minutes by:** Mary Vityukova

**Reviewed by:** Gary L. White