

MINUTES OF THE METRO COUNCIL MEETING

December 9, 1999

Metro Council Chamber

Councilors Present: Rod Monroe (Presiding Officer), Susan McLain, Ed Washington, Rod Park, Bill Atherton, David Bragdon, Jon Kvistad

Councilors Absent: None

Presiding Officer Monroe convened the Regular Council Meeting at 2:12 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. AUDITOR COMMUNICATIONS

None.

5. MPAC COMMUNICATIONS

Councilor McLain said MPAC met the night before to discuss the Regional Transportation Plan (RTP) and the constrained funds for transportation projects. MPAC also addressed Metro's request to the Department of Land Conservation and Development (DLCDD) for an extension on the urban growth boundary (UGB) expansion. The Affordable Housing Technical Advisory Committee (H-TAC) also presented a report on regulations, land use issues, and fair share concepts. MPAC agreed to move forward, and requested another report in April.

Councilor Bragdon added that the H-TAC presentation was very comprehensive. He said it may be useful for the Council to hear the same presentation that was made at MPAC.

Councilor McLain said H-TAC would make a presentation at Council next week. She added that H-TAC also presented its report to the Growth Management Committee while Councilor Bragdon was out of town. She said she was impressed by the cooperation and mutual respect shown by the members of H-TAC.

Councilor Atherton added that MPAC discussed real estate transfer tax. After that discussion, he asked two of the members if they had ever considered a regional sharing of new commercial and industrial tax base, as it applied to housing. They said they had not, but he expected that the issue may be coming up.

5-A. JPACT COMMUNICATION

Councilor Kvistad said JPACT had a major transportation meeting that morning, addressing both the Regional Transportation Plan (the 20 year planning program for roads and transportation), as well as allocation of the region's share of the \$600 million state bonding program. He said JPACT adopted the RTP in its meeting, and it would now come before the Council. There were two sections to the RTP, and JPACT finished the resolution form. Then over the next six months, they would do refinement plans to refine meeting state air quality goals and guidelines and federal rules and restrictions. He expected the final RTP to be passed in June 2000. He said the primary election in May 2000 would determine whether the bonding program comes forward. The metro region was expected to have a little under \$200 million of that bonding program available for about \$4 billion in current transportation needs. He said the voters would determine whether the money would be available, but the region has pared its lists of critical projects to \$280 million.

Presiding Officer Monroe added that the JPACT vote on the allocation of funds was unanimous, which was no small accomplishment.

Councilor Atherton clarified that while there was unanimity over the wish list, there was no unanimity over how to pay for the projects. That was the big question, and JPACT would try to make its decisions over the next four to six months.

Councilor Kvistad said the real decision was up to the voters in May, but in the next four to six months, JPACT would try to put together a framework for options. MPAC was currently working, through a subcommittee, on transportation funding options. He hoped the subcommittee's work would provide a basis for JPACT.

6. METRO'S ENDANGERED SPECIES ACT PRESENTATION

Bruce Warner, Chief Operating Officer, introduced the quarterly report on watershed and fish conservation, protection, and restoration activities, a copy of which is included in the meeting record. He said Executive Officer Burton was not able to attend the meeting, but he was committed to the environment and community livability. He added that staff was directed by Council in Resolution No. 99-2815A to present a quarterly report.

David Moskowitz, Salmon Recovery Coordinator, briefly described the report and identified some key issues related to Metro's work. He thanked all the staff at Metro who contributed to the report. He asked the Council to read over "Highlights of Metro's current programs," and he briefly reviewed the section, "Next steps."

Councilor Atherton noted that research in the Puget Sound region had concluded that if impervious surface in the watershed was exceeded by 10%, it affected the volume and velocity of water flow, which affected the habitat. He asked if Mr. Moskowitz felt those findings were relevant to Metro's experience.

Mr. Moskowitz said the scientific studies in Puget Sound were relevant, as the conditions in Puget Sound and the Portland metro area were similar. He said there was growing acknowledgement that hardened surfaces in watershed affected storm water, water quality, and the changes of streams. He said staff reviewed the Puget Sound studies, and it was being put into place as jurisdictions considered storm water management programs. He said the metro region was probably well past 10% impervious surfaces in watersheds, when adding in transportation

systems, roof tops, and buildings. He said the question facing the region was how to manage the watersheds when there was more than 10% impervious surfaces. He said Metro needed to work with its partners to develop creative solutions.

Councilor Atherton asked if Mr. Moskowitz felt there was the opportunity to keep the amount of impervious surfaces below 10% in urban reserves. He noted that the Urban Growth Report Update projected 18.5% impervious surface area just from roads.

Mr. Moskowitz said in areas that had not yet been developed, there was a better chance of limiting impervious surfaces and employing new technologies that reduced the impacts. He noted, however, that even if the region did all the new development perfectly, it would not recover the fish or let the streams heal, because the existing, built environment already created a big problem.

Councilor Washington noted that page 16 of the report stated that Metro should seek to continue to cultivate a regional consensus. He asked for Mr. Moskowitz's thoughts on how the Council could affect that.

Mr. Moskowitz said they had a two-prong approach. First, Executive Officer Burton sat on the Willamette Restoration Initiative, which was a Willamette Basin-wide group of stakeholders, and Metro needed to maintain an active role there. There was also a group of urban elected officials and staff, the Willamette Urban Working Group, which met informally on a regular basis. Both Executive Officer Burton and Mr. Moskowitz were attending those meetings. He said Metro should think about its relationship to the whole watershed, and try to bring together all stakeholders, which included the four county boundaries of Clackamas, Washington, Multnomah and Clark Counties. Metro was at a cornerstone, with the Willamette and Columbia Rivers coming together, and it needed to bring policymakers together to determine how to focus dollars and priorities. Funding was one of the key challenges, because Metro did not have the kind of political clout in the U.S. Congress as Washington State. One of the reasons the tri-county effort had been very successful was that they could track over \$30 million of funding for last year's efforts.

Councilor Kvistad noted some of his concerns about the report. He said although it was called a report, its orientation was towards public relations. Of particular concern was the quote from Executive Officer Burton on page one. He noted that while it may be good to "stop building stupid buildings in stupid places," those decisions were made by local governments, not Metro. He said the quote was probably not appropriate for the document, nor was Appendix 5, "A message from regional leaders." He said it was important to include the Council, as policymakers, when making statements of Metro policy. He concluded by noting that in two places on page 15, there were statements about Metro organizing "free" events and providing "free" public education. He said there was nothing free about services; Metro provided services to the public for which they did not have to directly pay when they utilized the services. He said it was important to think about what the word "free" meant. The programs Metro offered involved major costs. Metro's goal was to return benefit to the ratepayers and taxpayers by having programs available for which they did not have to pay more.

Councilor Bragdon said he thought a large part of the Council's role in the next six months would be the adoption of fish and wildlife habitat protection measures, under Goal 5. He noted the wide range of people and agencies which Mr. Moskowitz acknowledged for their help, and asked how Metro staff was being organized to work on Goal 5.

Mr. Moskowitz said the departure of Rosemary Furfey, former Principal Regional Planner, had left a large hole in the program, however they had reorganized into an ad hoc group, led by Mark Turpel, Growth Management Services, that was responsible for developing and completing the Goal 5 work. The group included Carol Krigger, Susan Payne, and Malu Wilkinson from Growth Management Services, Jennifer Budhabhatti from Regional Parks and Greenspaces, Ken Helm from Office of General Counsel, and Mr. Moskowitz. The group expected to complete another revision of the Goal 5 report, and release it to the public shortly. The Goal 5 Technical Advisory Committee continued to meet and advise the ad hoc staff group. He said staff had been reassigned to ensure that the Goal 5 work would be completed.

Councilor McLain added that Elaine Wilkerson, Director of Growth Management Services, was working directly with the Water Resources Policy Advisory Committee (WRPAC) and with the ad hoc group. She said the commitment from Ms. Wilkerson, Mr. Turpel, and the rest of the group was outstanding, and they had been able to meet the WRPAC timelines. She said the Council should address the loss of Ms. Furfey's position in the budget process, because Ms. Furfey lent the work an extra degree of credibility.

Councilor Park asked Mr. Moskowitz what would happen if the Council just said no to all of this.

Mr. Moskowitz said one reason for Metro's involvement was that once the federal regulations were in place, anyone found doing anything to harm, harass, capture, or kill listed endangered species was liable for "take" under Section 9 of the act, and was liable for civil and criminal penalties. Metro needed make sure that in its operations it was avoiding "take." Secondly, the issue was not just about protection of endangered fish species, it was about clean water and flood protection and prevention. Metro's mission and all of its major documents like the Framework Plan and the 2040 Growth Concept stated that natural resources were an important part of livable communities. Helping improve fish habitat also improved water quality, public health, and reduced losses of public and private properties, and potentially lives, to flooding. In addition, Metro had legal responsibilities, and there were other federal and state laws that would require Metro to do good things, including the Clean Water Act.

Councilor Park asked about the implications of the Endangered Species Act (ESA) for an individual whose property and lawn bordered a stream bank.

Mr. Moskowitz spoke to the enforcement of the Endangered Species Act. He said there would not be federal agents searching for lawnmowers along stream banks that were cutting down native vegetation. However, there would be a wide range of activities affecting fish, and along that continuum, there were actions one could take to avoid causing adverse impacts to streams. Everyone on the continuum had some responsibility, and it was not Metro's duty to make sure everyone was avoiding "take." Metro did have a responsibility, however, to provide tools, information, and methods whereby people could avoid those activities or could have alternatives to those activities, so that the region could begin to change actions in the watershed. There would likely be enforcement actions which the federal government would pursue under the ESA, but those would probably be fairly high profile on egregious cases.

Councilor Park asked for worst case examples of ESA enforcement.

Mr. Moskowitz said there were not many good examples in the urban area for fish. One high profile case concerning salmon was the Savage Rapids Dam on the Rouge River. The federal government prevented the dam from diverting water because the diversions were not properly

screened. Another example in the Wenatchee Basin in Eastern Washington also involved water diversion. He said it may be useful to identify the cases where ESA enforcement was taken in urban areas. There were cases nationwide, and staff could research how those were prosecuted and what the liabilities were.

Councilor Washington thanked Mr. Moskowitz for the report. He said he thought the presentation and following questions highlighted the importance of the Council hearing from Mr. Moskowitz on a more frequent basis, as the issues he dealt with had tremendous policy implications.

7. CONSENT AGENDA

7.1 Consideration meeting minutes of the December 2, 1999 Regular Council Meeting.

Motion: **Councilor McLain** moved to adopt the meeting minutes of December 2, 1999 Regular Council Meeting.

Seconded: **Councilor Kvistad** seconded the motion.

Vote: The vote was 6 aye/ 0 nay/ 1 abstain. The motion passed with Councilor Bragdon abstaining from the vote because he was absent from the meeting.

8. ORDINANCES - FIRST READING

8.1 **Ordinance No. 99-829**, For the Purpose of Annexing Lands within Urban Reserve 41 to the Metro Jurisdictional Boundary.

Presiding Officer Monroe assigned Ordinance No. 99-829 to Council.

8.2 **Ordinance No. 99-830**, For the Purpose of Annexing Lands within Urban Reserve 39 to the Metro Jurisdictional Boundary.

Presiding Officer Monroe assigned Ordinance No. 99-830 to Council.

8.3 **Ordinance No. 99-833**, For the Purpose of Amending the section on the Metro Code, Chapter 3.08 on the Work Program of the Affordable Housing Technical Advisory Committee to Complete its Recommendation for the Regional Affordable Housing Strategy Plan.

Presiding Officer Monroe assigned Ordinance No. 99-833 to Council.

9. ORDINANCES - SECOND READING

9.1 **Ordinance No. 99-831**, For the Purpose of Repealing Metro Ordinance No. 99-824A and Declaring an Emergency.

Motion: **Councilor Park** moved to adopt Ordinance No. 99-831.

Seconded: **Councilor Washington** seconded the motion.

Councilor Park said Ordinance No. 99-831 would repeal Ordinance No. 99-824A, which increased the excise tax and converted it from a percentage to a flat fee per ton. He asked Paul

Ehinger, REM Program Supervisor, to give a short presentation on the information that had come forward since the adoption of Ordinance No. 99-824A. He said the information revealed some important flaws in the assumptions and arguments made when Ordinance No. 99-824A was adopted.

Paul Ehinger, REM Program Supervisor, gave an analysis of how the tipping fee varied with tonnage. A staff report to Ordinance No. 99-831, and a hard copy of the visual presentation, include information presented by Mr. Ehinger and are included in the meeting record.

Councilor Park asked Mr. Ehinger how in the high-growth scenario, where the recycling rate plummets, Metro could keep the tipping rates so low. He said it seemed to be the opposite of what should be occurring.

Mr. Ehinger said Councilor Park's question brought up two points. First, a very large component of why the rates were low was that Metro had a significant number of costs that were not related to tonnage. Therefore, if there was a much higher tonnage, and a set of fixed costs, it was possible to set a lower rate to recovery those costs, because there were more tons to bear the burden. Second, some of Metro's contracts, in particular the disposal contract, were also impacted: with higher tonnages, Metro received a lower rate. It was a combination of those two factors that caused the rate to be lower in the high-growth scenario.

Councilor Park said he recalled that for the first 550,000 tons the Metro disposed in Gilliam County, the rate was \$22.31 a ton. He asked if the rate dropped to about \$8.00 a ton after 550,500 tons.

Mr. Ehinger said it stair-stepped down from \$22.31 in 42,500 ton increments, on an annual basis. The first increment was about \$10.00, then it dropped about 50 cents a ton in the declining increments, out to a little less than \$8.00.

Councilor Park noted that the contract was structured like most business contracts, so that the business could recover its fixed costs.

Mr. Ehinger added that even though Metro's tipping fee went up when the recycling level increased, the total cost to Metro went down. For example, if 100,000 tons did not go to the transfer station, then Metro would not have to pay to haul it to the land fill in Gilliam County, nor would Metro have to pay its transfer station employees to process it. In every scenario, even though the tipping fee increased, a higher level of recycling caused a reduction in total cost to Metro. If the recovery of that waste in the region was accomplished for less than it would have cost Metro to dispose of it, then the region still saved money, even if Metro's tipping fee increased.

Councilor Park noted that at the beginning of Mr. Ehinger's presentation, he said that even though they were looking at the effects on tonnage of the recycling rate, there were other issues, such as potential flow control lawsuits, that would result in a reduction of the amount of tonnage going to the Gilliam County landfill. He said the situation was much more complex than originally thought. He thanked staff for producing the graphs and for giving a presentation on short notice. He noted that while the graphs looked relatively simple, each graph required 6 to 8 hours to produce.

Councilor McLain added another reason for supporting Ordinance No. 99-831, which was brought up at the REM Committee. Metro had a transfer station plan, which it had been working

on with its advisory groups. That transfer station plan included ideas that could radically change Metro's solid waste system and the public services that Metro could offer. She said she would support the repeal of Ordinance No. 99-824A due to some of the issues that came up after its adoption.

Presiding Officer Monroe opened a public hearing on Ordinance No. 99-831. No one came forward to speak to the ordinance. Presiding Officer Monroe closed the public hearing.

Councilor Washington thanked Councilor Park for his work. He said it was clear that the issue was much more complicated than originally realized. He said he would also support Ordinance No. 99-831.

Councilor Kvistad said he was pleased that the Council chose to revisit Ordinance No. 99-824A, as he did not find it to be the best decision ever made by the Council. He said he did not want passage of Ordinance No. 99-831 to be sugar coated as a sudden embracing of recycling or a sudden realization of additional information. He said the Council needed to learn a lesson from this: with the taxing authority given to Metro by the voters, came a greater level of care and responsibility than the Council exercised in passing Ordinance No. 99-824A. He thought the Council paid a high price for not paying attention, and for not realizing that a high level of care and responsibility needed to come first. He said the Council needed to focus and understand the dynamics, and understand the potential ramifications of legislation on the agency as a whole. He congratulated the Council for rethinking Ordinance No. 99-824A.

Councilor McLain thanked Mr. Park and staff for their work on the graphics presented to the Council. She said usually this type of analysis was done during the budget process, and she found it very helpful to have the information prior to the start of the budget process. She felt it was appropriate to repeal Ordinance No. 99-824A because the Council had a major decision in front of it on the transfer station plan review. She noted that Metro's solid waste system had changed dramatically in the last few years. She said Metro needed to balance the profits and costs to the public for services.

Councilor Park closed by saying that the Council would be coming back to revisit this issue. There was one principle within the ordinance being repealed which he did want to uphold, which was changing to a per ton tax. He said he supported the per ton tax because under the variable rate, different citizens in different parts of the region paid a different amount of excise tax, which was not fair. He said he wanted Council to revisit that issue in the future. He said Councilor McLain brought up a good point that they were early on the budget process. He said perhaps the budget process should have been started much earlier, and recognized as such. In reality, the Council's prior decision was not about the excise tax and the \$60 million, it was about the needs of the agency, and quite honestly, the Council probably embroiled itself in an unnecessary conversation. He said he looked forward to the budget discussion and reviewing the needs of the agency, and then going back and determining what would be required. He urged an aye vote on the motion.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

9.2 **Ordinance No. 99-832**, Amending the FY 1999-00 Budget and Appropriations Schedule for the Purpose of Transferring \$510,000 from Contingency to Capital Outlay in the Convention Center Project Capital Fund, Authorizing an Interfund Loan from the Solid Waste Revenue Fund to the Convention Center Project Capital Outlay Fund to Provide for Cash Flow; and Declaring an Emergency.

Motion: **Councilor Atherton** moved to adopt Ordinance No. 99-832.

Seconded: **Councilor Washington** seconded the motion.

Councilor Atherton reviewed Ordinance No. 99-832. A staff report to the ordinance includes information presented by Councilor Atherton and is included in the meeting record. He noted that this was an interfund loan that had become necessary to the Oregon Convention Center because bond proceeds from the City of Portland had not been forthcoming, and Metro had been depending on interest income from that money. The loan would come from regional solid waste funds. He said a key issue raised during committee was that solid waste would be made whole again, because the funds were coming from REM funds that were already in the shared investment pool of the agency.

Kathy Rukowski, Financial Planning Department, said Councilor Atherton accurately stated the effect of the budget amendment. She spoke to the issue of the investment rate that would be charged on the loan and given back to REM. She said there were certain funds in the investment pool currently. The investments that were made by Metro were guided by Metro's investment code, which was fairly conservative because the funds were public. The intention was to make the solid waste revenue fund whole: the interfund loan would not harm the solid waste revenue fund. Whatever interest the money would have earned, had it remained in REM, would be paid back when the Convention Center project received the bond proceeds from the City of Portland.

Presiding Officer Monroe opened a public hearing on Ordinance No. 99-832. No one came forward to speak to the motion. **Presiding Officer Monroe** closed the public hearing.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

10. ORDINANCES – WORK SESSION

10.1 **Ordinance No. 99-812**, For the Purpose of Amending Metro Urban Growth Boundary and the 2040 Growth Concept Map in Ordinance No. 95-625A in Urban Reserve Area 65 of Washington County.

10.2 **Ordinance No. 99-834**, For the Purpose of Amending the Metro Urban Growth Boundary and the 2040 Growth Concept Map in Ordinance No. 95-625A in Urban Reserve Area 39 and 41 in Clackamas County.

Presiding Officer Monroe asked Councilor McLain if he understood correctly that both Ordinance No. 99-812A and Ordinance No. 99-834 were passed out of the Growth Management Committee and were in proper form for final action next week.

Councilor McLain said that was correct. Both motions were approved unanimously. Ordinance No. 99-812A came forward without a recommendation for adoption, and Ordinance No. 99-834 came forward with a do pass recommendation.

Presiding Officer Monroe said both ordinances would be placed on next week's Council agenda for public hearing and final action.

Dan Cooper, General Counsel, noted that the evidentiary record on both Ordinances No. 99-812A and 99-834 closed today, December 9, at 5:00 p.m., pursuant to the announcement made last week by Presiding Officer Monroe.

11. RESOLUTIONS

11.1 **Resolution No. 99-2845**, For the Purpose of Appointing Karen Lewotsky to the Water Resources Policy Advisory Committee.

Motion: **Councilor Park** moved to adopt Resolution No. 99-2845.

Seconded: **Councilor Bragdon** seconded the motion.

Councilor Park presented Resolution No. 99-2845. A staff report to the resolution includes information presented by Councilor Park and is included in the meeting record.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

11.2 **Resolution No. 99-2860**, For the Purpose of Appointing Jennifer Allen, Ron Hernandez, and Juliet Hyams to the Metro Central Station Community Enhancement Committee.

Presiding Officer Monroe removed Resolution No. 99-2860 from the agenda.

11.3 **Resolution No. 99-2862**, For the Purpose of Appointing Jim Johnson, Clifton Deal and Todd Heidgerken to the Water Resources Policy Advisory Committee.

Motion: **Councilor Park** moved to adopt Resolution No. 99-2862.

Seconded: **Councilor Washington** seconded the motion.

Councilor Park reviewed Resolution No. 99-2862. A staff report to the resolution includes information presented by Councilor Park and is included in the meeting record.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

11.4 **Resolution No. 99-2869**, For the Purpose of Adopting the Capital Improvement Plan for Fiscal Year 2000-01 to 2004-05.

Motion: **Councilor Washington** moved to adopt Resolution No. 99-2869.

Seconded: **Councilor McLain** seconded the motion.

Councilor Washington presented Resolution No. 99-2869. A staff report to the resolution includes information presented by Councilor Washington and is included in the meeting record.

Motion to Amend: **Councilor Atherton** moved to amend the Capital Improvement Plan. A copy of his amendment, entitled "Draft Policy Statements, Asset Depreciation," is included in the meeting record.

Seconded: **Councilor Bragdon** seconded the amendment.

Councilor Atherton said his amendment would address the problem of having replacement reserves, and misnaming as capital improvements such things as replacing carpets and HVAC systems. Prudent investment and management strategy included maintaining adequate replacement reserves. He said this issue was raised during the Council/Executive Officer Informal meetings, and he thought there was a general recognition by the executive staff that this was an issue that needed to be addressed, and the question was how and when. He said there was no better time than now.

Bruce Warner, Chief Operating Officer, said he believed that the amendment before the Council was drafted by Tony Mounts, Manager of Financial Planning. It was written as an example of some draft finance policies that would address Councilor Atherton's concerns. He noted that this was a timely and important discussion, but recommended that the Council consider it during the budget process. He said such a change had many budgetary implications and should be thoroughly researched by staff and discussed by the Council before any action was taken.

Councilor Park noted that Councilor Atherton's amendment stated that "Metro enterprises shall establish rates that recover all annual operating expenses including asset depreciation." He asked if he was correct that if this language had been in place in the past, and the Convention Center had an estimated life span of about 40 years, then Metro would now be a quarter of the way toward a new convention center which it may or may not choose to replace. He said the amendment would take away an enormous amount of money and put it away for a purpose that may or may not be there in the future.

Mr. Warner said he thought Councilor Park was correct, and that was why it was important for the Council to discuss what such a change would mean. Councilor Atherton's amendment would mean that Metro would charge much higher rates at the gate of the Convention Center to build up the kind of reserves that would deal with both ongoing O&M and capital replacement.

Councilor Washington said he appreciated Mr. Warner's thoughts. He said he was aware of Councilor Atherton's concern, which he had brought up at Metro Operations Committee. Councilor Washington expressed concern about the timeliness of the matter, and the lack of discussion about the broader financial impact. He said he would like to have that discussion, but he was not prepared to vote on it today, not knowing what those impacts might be.

Councilor McLain noted that she would like to see the Council have this discussion during the budget process rather than as an attachment to Resolution No. 99-2869 for a couple of reasons. First, in the Council's discussions to date, there were questions which had not yet been answered. For example, in some documents with a CIP, it was labeled as "CIP and replacement projects." She said the Council needed to discuss the threshold of what distinguished a replacement project from a capital improvement, and how to depreciate items that were hard to track.

Councilor Kvistad said he liked most of the concept in Councilor Atherton's motion. He said he was not able to attend the Metro Operations Committee the day before, so this was his first chance to review the amendment. He probably could not vote in favor of the motion today due to specific language in the motion, but in general, he thought it was important for the Council to start developing capital reserves and replacement accounts. He was very interested in moving forward with the concept in the next few weeks and discussing the details.

Councilor Bragdon said it was also the first time he had seen the amendment, and it sounded good conceptually. He asked Councilor Atherton how he proposed to establish rates that recovered all operating expenses for activities that Metro subsidized or cross-subsidized because

it was in the public interest, such as the household hazardous waste collection or a day camp program at the zoo. He said these types of activities were in an overall enterprise activity, but might be one business line within the overall enterprise activity that did not necessarily recover its own annual operating expenses. He asked if there would be a way to continue to subsidize these activities if the Council felt they were in the public interest.

Councilor Atherton said that was definitely possible to continue those activities. He acknowledged that the devil was in the details and in the definitions, as Councilor Park and McLain demonstrated. In the example of hazardous waste, if there was a piece of equipment with a known life of 10 years, money should be put aside each year from revenues or somewhere in the overall enterprise to make sure that the unit could be replaced. He said in this way, these expenses would not need to be listed as capital expenses. He said it was considered acceptable to go into debt for capital expenses, and going into debt for maintenance was one of the easiest ways to go broke managing facilities. He thanked the Councilors for the discussion, and said there were nuances in the motion that needed to be clarified. He responded to Councilor Park's question, and said that structures such as the Convention Center would be depreciated in a different way, but the carpets, elevator, and HVAC equipment had more definable thresholds. The Council needed to clear up those issues either in its budgetary process or in the next capital improvement plan, so that it had a clear picture of its true capital needs and annual maintenance expenditure. The basic business principle was that one paid for operations and maintenance from annual revenues, not by going into debt.

Withdrawal of Motion to Amend: Councilor Atherton withdrew his motion to amend.

Presiding Officer Monroe thanked Councilor Atherton for bringing the issue to the Council, and said he would refer it to the Budget Committee as the Council deliberated through the budget process next year.

Councilor Washington closed by urging an aye vote.

Vote : The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

11.5 **Resolution No. 99-2877**, For the Purpose of Granting a Time Extension to the Cities of Fairview and Wilsonville for Compliance with Title 3 of the Urban Growth Management Functional Plan.

Motion: Councilor Park moved to adopt Resolution No. 99-2877.

Seconded: Councilor McLain seconded the motion.

Councilor Park reviewed Resolution No. 99-2877. A staff report to the resolution includes information presented by Councilor Park and is included in the meeting record.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

12. CONTRACT REVIEW BOARD

12.1 **Resolution No. 99-2875**, For the Purpose of Authorizing the Executive Officer to Execute a Contract with URS Corporation for the Design of a Public Unloading Area at Metro South Station.

Motion: **Councilor McLain** moved to adopt Resolution No. 99-2875.

Seconded: **Councilor Washington** seconded the motion.

Councilor McLain reviewed Resolution No. 99-2875. A staff report to the resolution includes information presented by Councilor McLain and is included in the meeting record.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

13. COUNCILOR COMMUNICATION

Councilor Washington said tomorrow, he would be sitting in on the interviews for finalists for the new Director of REM.

Councilor Kvistad said there would be a special Transportation Committee meeting directly prior to the Council Executive Officer Informal next week, to move forward the Regional Transportation Plan for action on Thursday, December 16, at Council. He asked if the final year-end calendar had been announced yet.

Presiding Officer Monroe said no meetings were planned after Thursday, December 16, through the end of the year.

Councilor McLain said WRPAC was meeting next Monday, December 13, to discuss Goal 5 issues. She invited the Council to attend.

Presiding Officer Monroe said he would be meeting with Congressman Blumenauer Friday, December 10, to discuss federal transportation funds for some of the projects that were important to Metro. On Tuesday, he would go with Openspaces Acquisition staff to Salem to talk to the Land Board about the Wilsonville openspace property that Metro would like to acquire, and which the City of Wilsonville would like to sell. They were meeting to discuss the issues involved in whether the Land Board would be willing to sell the land to Metro for a reasonable price. Next Tuesday afternoon was the Council informal meeting. He noted that the Executive Officer would not be present as he was still convalescing. Most of the informal meeting would focus on possible changes to the Council's structure, the committee structure, and staffing. He reminded the Council that tomorrow night at 5:00 there was a party for all of the Council and their significant others and Council staff at his home.

Councilor Park said he would attend the Land Conservation and Development Committee (LCDC) hearing next Friday, when LCDC will consider Metro's request for an time extension on the expansion of the urban growth boundary. He said Mr. Cooper and Ms. Wilkerson would also be going to the hearing.

Presiding Officer Monroe said some Council members met with Dick Benner, Director of the Department of Land Conservation and Development, and he seemed positively disposed toward Metro's request.

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Councilor Atherton said at the beginning the Council's work together this year, there was a discussion about the ethics code which broadened into a concept of an election code. At that time, he promised that he would bring a proposal to the Council. He said he expected his proposal to be ready next week. He noted that the Metro Committee for Citizen Involvement (MCCI) had reviewed the proposal.

14. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Monroe adjourned the meeting at 4:01 p.m.

Prepared by,

Chris Billington
Clerk of the Council

Document Number	Document Date	Document Title	TO/FROM	RES/ORD
120999c-01	12/09/1999	Ordinance No. 99-829		Ordinance No. 99-829
120999c-02	12/09/1999	Ordinance No. 99-834		Ordinance No. 99-834
120999c-03	12/09/1999	Ordinance No. 99-830		Ordinance No. 99-830
120999c-04	12/06/1999	Email RE: H-TAC Continuation, and follow-up email on same topic	TO Metro Council/ FROM Leon Laptook	Citizen Communications
120999c-05	12/07/1999	Email RE: Affordable Housing/H-TAC	TO Mike Burton, Susan McLain, Paul Bragdon (sic)/FROM Russ Dondero	Citizen Communications
120999c-06	Fall 1999	Watershed and fish conservation, protection and restoration activities, Initial report to the Metro Council	TO Metro Council/ FROM Mike Burton, David Moskowitz	Metro's Endangered Species Act Presentation
120999c-07	12/09/1999	Metro Tipping Fee Analysis visual presentation	TO Metro Council/ FROM Paul Ehinger	Ordinance No. 99-831
120999c-08	12/09/1999	Draft Policy Statements, Asset Depreciation (Councilor Atherton amendment to Resolution No. 99-2869)	TO Metro Council/ FROM Bill Atherton	Resolution No. 99-2869