

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, October 11, 2005
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:04 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, OCTOBER 13, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

Council President Bragdon reviewed the October 13, 2005 agenda.

Reed Wagner, Policy Coordinator, introduced PSU graduate students Lake and Daniel, the two interns who will be with us for the next nine months.

1.1 Regional Travel Options Update

Pam Peck, Regional Travel Options (RTO) Manager, shared good news about increased funding for the program. The campaign rolls out in January. She discussed the various components of the program, including the selection process for projects and program evaluation. She submitted a copy of the report that will go to the Joint Policy Advisory Committee on Transportation (JPACT) and a draft of RTO milestones (copies of which are included in the meeting record). Ms. Peck commented that they were looking at new employment areas that were under-served by transit. The goal was to complement existing transit options.

Councilor Liberty emphasized that this program is separate from JPACT; it is part of our regional transportation plan. Ms. Peck added that it was also separate from the Transportation Policy Alternatives Committee (TPAC). The RTO subcommittee has started the discussion about their bylaws; the committee structure was undergoing analysis.

Councilor McLain thought that JPACT had been well included in the loop on this project. She liked the number and character of citizen participants. She thought going slowly with changing the RTO subcommittee was preferable, and that a more objective look at who got the money was in order.

Councilor Burkholder acknowledged that there are many Metro groups that work on transportation issues. He thought an examination of where this program fit into Metro's overall structure was important. Councilor Park wondered if not having JPACT and TPAC involved would change the focus of the funding source.

Council President Bragdon thought that this project would focus attention on JPACT. Councilor Burkholder appreciated that Metro was able to hold onto its portion of the ODOT funding. The results of the TravelSmart project in East Portland were encouraging. They were actually able to change people's behavior.

2. BUDGET ASSUMPTIONS

Kathy Rutkowski, Budget Coordinator, said this was the first of two work sessions. There will be a follow-up in two weeks; she will file a resolution on October 27. She walked the Councilors through the financial assumptions for the 2006-07 budget. This included salary base and adjustments, fringe benefits, general revenue estimates, and other global assumptions. All assumptions were developed through coordination with Metro departments of human resources, compensation, labor relations, benefits, investments, and the Chief Financial Officer (CFO). She discussed the new merit-based approach to awarding non-represented staff; the plan also included provisions for promotions and reclassifications.

Councilor Burkholder had some questions about the range of merit increases, from 0% to 6%. Chief Operating Officer (COO) Michael Jordan described the amount of money available for total merit awards as well as the matrix that would be used. The total amount was fixed, but the percentages would vary according to performance appraisals. The goal was to get employees to a market pay level. Councilor Burkholder was assured by Mr. Jordan that the budget could not be “blown” by the awarding of large merit increases.

Rachel Bertoni, Compensation Systems, noted that the idea was to “trend” the entire salary structure toward the movement of the overall employment market. Mr. Jordan said that next year, non-represented groups will not receive a Cost of Living Adjustment (COLA); they only received it this year as part of the transition to the new system.

Ms. Rutkowski responded to Councilor Hosticka’s questions about the different salary increase structures for represented and non-represented staff. The rules for Councilor pay and benefits are different from anyone else’s, since they are elected officials and not technically considered employees. Ms. Rutkowski said she would look into Council President Bragdon’s question of why the elected officials were exempt from FICA contributions.

Ms. Rutkowski responded to Councilor questions about the miscellaneous benefits that Metro employees receive, including the TriMet pass. Councilor Newman and Councilor McLain wondered whether there were some employees who received the pass but never really used it, and whether it would make sense to charge employees a nominal amount, perhaps \$10 or so, to encourage only those who really used the pass to take it. Mr. Jordan said he would look into this option. Councilor Liberty asked whether there were any significant changes in fringe benefits; Ms. Rutkowski responded that the assumptions were the same as last year’s.

The discussion then turned to the big-budget items: health and welfare. Mr. Jordan said that this was the first year that the non-represented benefit schedule had been detached from the represented schedule. The two groups had different health plan choices. There has been a constant struggle to keep health care costs down and to find creative ways to ally Metro with other governmental groups. Councilor McLain commented that, since Metro wanted to keep salaries in the market range, that we ought to keep the benefits in the market range also. Mr. Jordan indicated that we were endeavoring to do so, and that Metro benefits were very comparable to the overall employment market. Councilor McLain observed that we needed to be having discussions about strategies for lowering the actual costs of health services, not just employer contributions to employee premiums. Councilor Liberty had a question about the accuracy of the figures in the chart on page 6 of 13 of the assumptions; Ms. Rutkowski agreed there was probably a mistake and would have it fixed.

The next topic was PERS. Metro has been setting aside a 6.65% reserve; Council needs to make a decision about whether to continue to do this. A lot of decisions will have to wait to see how various federal court cases are decided. Ms. Rutkowski asked the Council for guidance on how to handle the PERS situation. Council President Bragdon wondered whether this was a decision that had to be made by the Council; response was yes. Council and staff discussed the court decisions that had been made as well as the ones that we were still waiting for, and how these would affect PERS employers and employees.

Councilor Newman thought that keeping the PERS reserve contribution was a fine thing, but that if it was taking money from more crucial areas, perhaps it needed to be evaluated. Councilors Park and Liberty agreed. Councilor Hosticka wondered what the worst-case scenario would be, under various conditions. Mr. Jordan responded that we were waiting for an actuarial analysis. Councilor McLain liked the idea of playing it conservatively.

Ms. Rutkowski asked for the Council's input on Visitor Development Initiative (VDI) support that has been provided to the Metropolitan Exposition-Recreation Commission (MERC), to subsidize their use of central services. The current fiscal year was supposed to be the last year of the existing VDI agreement. Councilor McLain agreed, emphasizing that that subsidy was supposed to be short-lived, transitional support. She was concerned that MERC needed to be weaned of its reliance and become more self-supporting. Mr. Jordan stated that mechanisms were in place to make sure that services would not be delivered without being paid for. Bill Stringer, Chief Financial Officer (CFO), discussed technological improvements that would combine MERC's event management with an accounting module. This would allow them to interface more easily with the PeopleSoft system.

Councilor Burkholder had some questions about how this discussion with MERC was taking place. Council President Bragdon said he would convey to MERC the Council's feeling that the rest of Metro was subsidizing MERC too much at this point. Mr. Jordan summarized that if the current VDI subsidy for MERC was going to be eliminated, that this would send a clear signal.

Ms. Rutkowski continued with a discussion of potential ballot measures, and what our costs would be. There was a debate about whether a May or a November ballot would be better. Councilor Liberty talked about the possibility of the windfall tax being on the November ballot. If we shared the ballot with other entities, our portion of the cost would be lower. Councilors questioned the rationale for the addition of \$100,000 for public notifications; Ms. Rutkowski said she would investigate this and report back.

Councilor Park asked CFO Stringer to find out the status of the financial audit that rotated between the City of Portland and Multnomah County.

Council President Bragdon stated that the Council was in general agreement about the budget assumptions. A majority of the Council preferred a conservative approach to PERS. The appropriations were staying fairly stable, but subsidies for MERC should be winding down. The resolution on the budget will be coming on October 27th.

3. BREAK

4. COUNCIL DIRECTION ON REGION 2040 PROJECT PROPOSALS

Randy Tucker, Legislative Affairs Manager, went over a public affairs document for the Councilors to use. This document is currently in the scoping process. He handed out two versions of a draft – a longer and a shorter one (copies of which are included in the meeting record). The three main sections are where we've been, where we are now, and where we're going.

Councilors generally liked the pieces, although they would prefer to see more graphics; Mr. Tucker responded that those were being planned and that future versions would be more visually developed. Councilors said they liked to have a variety of materials to choose from, depending on the situation and the audience they were addressing.

Council President Bragdon commented that the middle portion was the strongest; the beginning and ending could use some work. He thought the piece could be improved by taking the focus away from Metro and toward the desire of the citizens to preserve their quality of life. He also believed that the wording in general could be more specific.

Councilor Hosticka wanted to see more of a challenge to the intended audience of the materials, to ask them to reconfirm that they still held these values. Councilor Liberty thought we needed to remind people that they have repeatedly asked for help in maintaining the quality of life here; perhaps they needed a strong reminder of this fact, and how Metro has helped to do that. Mr. Jordan asked the Council whether they thought the focus of the materials should be on the "what," or on the "how."

Councilor McLain stated that she thought the current project should focus more on the how. Councilor Burkholder concurred, adding that he would like to see more description of Metro success stories. Council President Bragdon thought the what was well-established; now we needed to look at how to actually achieve the goals. Councilor Liberty agreed, stating that he would also like to see more specifics. Councilor Park was concerned that we not lose our intended audience, that we be efficient in allocating time and resources, and that we engage the public. Councilor Newman concurred with the general decision to focus on the how. Council President Bragdon directed staff to consider the Council's comments but emphasized that they did not intend to wordsmith the materials. Mr. Tucker stated he would turn the piece around by the end of the week.

Kate Marx, Public Affairs Director, then brought up some more general questions about how to operationalize the communications plan. There were many options in communicating with our various audiences. The first question was "How do Councilors want to coordinate communications and work together?" There was overall support for making sure that the messages stayed consistent, while still allowing individual personalities to be recognized.

The second question was, "Do Councilors want to speak with one voice on policy choices?" Ms. Marx offered her view that this question was a challenge for staff; for example, in answering calls from reporters. The general assessment was that Council members would frequently have a diversity of opinions on an issue, but that once a policy was passed the Council decision could be considered as a single voice. Messages also needed to be appropriate to where a project was in the process.

Ms. Marx then asked, "How should staff manage messaging, when there is disagreement among Councilors?" Councilor Burkholder wanted to know how to assign the best messenger for a given

audience. Councilor Newman was concerned about geographical appropriateness. Councilor McLain thought that, at times, more than one Councilor could be present at an event, to share the burden and to provide a broader spectrum of the message. In general, it was agreed that Councilor outreach was very helpful.

The fourth and last question was about the "scope of communications and stakeholder engagement given time/expense trade-offs." Councilors want to use their time efficiently. Ms. Marx said that her goal was to recognize individual Councilor preferences while still providing consistent outreach to constituents. Council President Bragdon indicated that there were a variety of opportunities, and that flexibility would be key.

5. COUNCIL BRIEFINGS/COMMUNICATIONS

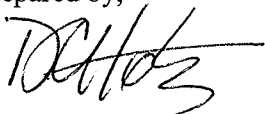
Reed Wagner briefed the Council on Resolution No. 05-3626, For the Purpose of Establishing an Expansion Area Planning Fund Committee. He asked the Council for guidance on how to proceed in establishing this committee, which would be charged with looking into the possibility of putting forward this mechanism. He described the composition of the committee; it needed to represent the general public. The goal would be to have a recommendation to the Council by December 15th. The resolution will appear before the Council on Thursday. Councilor Burkholder stated his fundamental objection to the concept – that he could not support using existing Urban Growth Boundary (UGB) funds to subsidize new development. He thought we needed a capture mechanism. Mr. Jordan spoke to a feeling in the community that there was too much planning and too little execution.

Council President Bragdon supported Councilor Burkholder's idea of recapture, adding that the current proposal could be a way to get that idea started. All communities benefit from other communities being well-planned. Councilor Liberty proposed that the windfall could be used in such a way to address the recapture issue. Councilor McLain suggested this might be an opportunity to improve land use planning. Perhaps we have been getting too far ahead of ourselves and not executing existing planning. Councilor Burkholder emphasized his desire to have the proposed committee look at recapture options; Mr. Wagner stated that he would work to incorporate this element. Councilor Hosticka offered his view that the interests of citizens were not always identical with the interests of jurisdictions. Councilor Liberty supported the overall direction of the proposal.

Council members then discussed various events they had attended, including the Salmon Festival (Councilor Park), an event at the Hillsboro Chamber of Commerce (Councilor McLain), a regional emergency managers' group (Councilor McLain), a leadership conference (Councilor Newman), and a City Club disaster preparedness presentation (Councilor Liberty).

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:22 p.m.

Prepared by,



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**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF OCTOBER 11,
2005**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	10/13/05	Metro Council Meeting Agenda for October 13, 2005	101105c-01
1	Metro Rideshare Plan	August 2005	To: Metro Council From: Pam Peck, RTO Re: Rideshare Program Market Research and Implementation Plan	101105c-02
1	Metro Rideshare Plan	10/9/05	To: Metro Council From: Pam Peck, RTO Re: Key milestones for FY 05/06	101105c-03
4	Public Affairs materials	10/11/05	To: Metro Council From: Randy Tucker Re: A new look at regional choices (longer version)	101105c-04
4	Public Affairs materials	10/11/05	To: Metro Council From: Randy Tucker Re: A new look at regional choices (shorter version)	101105c-05