

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, February 20, 2007
Metro Council Chamber

Councilors Present: Rod Park (Deputy Council President), Kathryn Harrington, Carl Hosticka, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent: David Bragdon

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

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, FEBRUARY 22, 2007/ADMINISTRATIVE AND CHIEF OPERATING OFFICER COMMUNICATIONS

Deputy Council President Park reviewed the February 22, 2007 Metro Council agenda. Council discussed procedure for Thursday's Columbia River Crossing resolutions. Councilor Hosticka reported on Oregon House Bill 51.

2. WORK PLAN IMPLEMENTATION

Jim Desmond, Regional Parks and Greenspaces Director, distributed the revised work plan to Council and said they would need to adopt certain sections (a copy is included in the meeting record). A lot of it was pretty technical. It would require adoption of a resolution in the near future. The purpose was for Council to delegate the right amount of authority to negotiate purchases. He reviewed the acquisition parameters and defined the role of the stabilization team.

Councilor Liberty agreed in general with the authorization to pay 10% over fair market value, but he thought the language was a bit open-ended. Mr. Desmond said that tool would be used rarely; in the last go-round, it had been used probably fewer than a dozen times out of 250 purchases. Mr. Jordan added that, unlike last time, there would be an annual audit process. Daniel B. Cooper, Senior Metro Attorney, agreed to review the cases from last time and see if there were some way to tighten up the language. Mr. Desmond said that it usually had been when we were about to be outbid. Deputy Council President Park asked how many of the deals had been time sensitive. Mr. Desmond said, in most cases people thought their deals were time sensitive.

Councilor Harrington had some questions about the acquisition parameters. To what degree were operational excellence and continual improvement incorporated? How had the last experience helped to inform the new parameters? Also, were there cases that were handled previously where there was some negative feeling about Metro that had come out of it? Mr. Desmond said he could point out improvements throughout the work plan. Overall, they were trying to be less casual and more formal. In terms of perceptions about Metro, perhaps reluctant landowners, there was a lot of anecdotal information, but in many cases, they tried to keep the interaction strictly focused on the deal, and not to bring other Metro issues into it.

Mr. Desmond talked about the appraisal and appraisal review process. Reviews would be used only if there seemed to be something unusual about the situation. Councilor Liberty asked about Measure 37 claims. Mr. Desmond thought that a couple of the target areas might be affected. There were legal issues that had not yet been resolved. Councilor Liberty said the different valuation methods led to different outcomes. Also, some appraisers did not really understand

Measure 37. Mr. Cooper agreed there were still many unknowns. Sometimes it would just come down to “what is it worth to us?” Mr. Desmond thought a certain group of potential Measure 37 owners who would prefer to sell to Metro than see the land developed, but they might want a premium. Councilor Burkholder pointed out that we had options in buying property; if things became too complicated we could find another property. William Eadie, Real Estate Negotiator, said there had been cases in the past where the situation indicated paying a higher value.

Mr. Desmond talked about due diligence. There would be a team, including a stabilization manager, and a checklist and review.

Councilor Harrington had some questions about inspection of the property. Would the access checklist make sure that we had physical access to the property? Mr. Desmond said that the legal access was always accounted for. Mr. Cooper said that we would choose properties with legal access.

Mr. Desmond reviewed the new and improved environmental review language. The intent was to make sure Metro had no liability for contaminated property. He talked about unusual circumstances and reviewed the checklist.

Councilor Liberty asked how useful this work would be for the audit committee. Mr. Desmond thought the audit committee would tell us what they wanted to focus on. He thought they would want to focus on what progress we were making on the specific goals.

Deputy Council President Park asked whether it would be fair or permissible to ask the auditor for help. Mr. Desmond said the program was already undergoing an audit. He clarified that there would be a formal financial audit by an outside CPA firm every year, to make sure we were in accord with bond rules. There would also be a more performance-based citizen committee.

3. INTRODUCTION OF AUDIT STAFF AND WORK PLAN

Suzanne Flynn, Metro Auditor, had a handout for Council (a copy is included in the meeting record). She said the intent of the parks bond measure audit was to make sure the infrastructure was there and there was some baseline data going forward. Her intent today was to review her approach and what she hoped to accomplish. She felt her shop should have the skills to do the audits. She had hired people with diverse backgrounds, not necessarily auditing backgrounds, but they were being trained. She introduced the staff and described how their experience would contribute to the Auditor’s office.

Ms. Flynn then went over the section on audits by program area. It gave an idea of how auditing resources had been spread across Metro’s goals and critical success factors. Finally, she presented her proposed audit schedule. She preferred to use a team approach. She hoped to have the parks bond measure recommendations in place in time to be useful. She talked about how she had selected the list and what she hoped to accomplish with it.

Councilor Liberty asked about the Transportation Oriented Development (TOD) award grant process audit that was being proposed. Ms. Flynn said, during the first phase, she would probably look at both portions. Councilor Liberty said the Council had targeted this as part of a larger effort. He didn’t know if they would have any criteria by then, but there was a narrow question of projects reducing transit trips, and then larger issues about strategy. Occasionally there had been concerns about Metro’s due diligence in regards to the awardees.

Deputy Council President Park observed that TOD and centers had different focuses. Ms. Flynn suggested that they could be collapsed together.

Councilor Burkholder was glad to meet the new and continuing staff. He was surprised at the low number spent on workforce excellence. In terms of the Auditor's departmental resources and schedule, how would she react if an issue arose unexpectedly? Ms. Flynn said she would change the audit schedule. Her work was necessarily a slow process. If something came up that needed immediate attention, they could push other things further out.

Councilor Liberty said Metro played a role in thinking about priorities; we had a chance to talk about transportation priorities and whether they were delivering on results. There was not a lot of information on performance results. Ms. Flynn said she had thought about that. It was big. She wondered whether there was enough time to be effective. She did not want to take on something too controversial right away. She needed time to acclimate herself to the political situation.

4. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Liberty said he'd met separately with Steve Stuart and Ted Wheeler today, regarding the Columbia River Crossing. They'd talked about the content and concern. They were concerned about costs and trade-offs.

Councilor Burkholder asked Ted Leybold, Planning Manager, to talk about the upcoming Metropolitan Transportation Improvement Program (MTIP) decision. Mr. Leybold distributed the draft base program recommendation (a copy is included in the meeting record). There was only a small disagreement with the Technical Policy Advisory Committee (TPAC) recommendation. He wanted Metro Council to look at the base program and decide what we wanted to see happen. We wanted to weigh in on the ones of regional significance.

Councilor Harrington found it interesting that Gresham advocated for the 190th project. Some people did not perceive the Regional Travel Options (RTO) program as benefiting the whole region. Councilor Liberty appreciated the list. Was staff asking Council to state that this was what they saw as the base, and that the others were not viewed as regional? Mr. Leybold said these were the top technically ranked projects, the ones of regional significance, and the ones that met particular policy requirements, within and across categories. Council and Mr. Leybold talked about the specifics of some of the items. They talked about helping Councilor Burkholder to present a united front at the Joint Policy Advisory Committee on Transportation (JPACT) and how to justify the recommendations and defend against other people who wanted to keep their projects alive and trying to make a deal. Council basically approved the process.

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 3:42 p.m.

Prepared by



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**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
FEBRUARY 20, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	2/22/07	Agenda: Metro Council regular meeting, February 22, 2007	022007c-01
2	Work Plan	undated	To: Metro Council From: Jim Desmond Re: Natural Areas Implementation Work Plan	022007c-02
3	Audit Staff	undated	To: Metro Council From: Suzanne Flynn Re: Metro Auditor and Staff	022007c-03
4	Communications	2/20/07	To: Metro Council From: Ted Leybold Re: Draft Metro Council Base Program Recommendation	022007c-04