

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, March 13, 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 (excused)

Deputy Council President Park convened the Metro Council Work Session Meeting at 2:02 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MARCH 15, 2007//ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS

Deputy Council President Park reviewed the March 15, 2007 Metro Council agenda.

Michael Jordan, Chief Operating Officer, reported on last Thursday's Measure 37 claim.

Councilor Burkholder announced that Jonathan Makler, Transportation Operations Program Manager for Metro and the City of Portland, would present the "Congestion Management Report" at the Thursday Council meeting.

Chris Billington, Council Operations Manager, and Cary Stacey, Regional Leadership Initiative (RLI) Project Manager, presented information on Meeting Management Best Practices. Mr. Jordan said the project had initiated with his request that Ms. Billington seek efficiencies in meeting staffing. The project has since evolved into a larger look at how Metro can convene, manage, and record meetings at the highest level of efficiency and quality. He felt that a lot of good information and training tools had come out of the project.

Ms. Billington talked about what had gone smoothly in the process and where there had been heartburn. She distributed a packet with some of the materials (a copy is included in the meeting record) and went through the flowchart. Council President Bragdon had been briefed and was supportive. Deputy Council President Park had some questions about the Joint Policy Advisory Committee on Transportation (JPACT) and what form of minutes they required. Mr. Cooper said it was consistent with Oregon public meeting requirements. Mr. Jordan said the group was originally tasked with saving staff time. The goal was to be consistent and increase efficiency.

Ms. Stacey said the original group's results spurred interest in how to better manage meetings across the board. Rollouts were planned for April 1 (internal) and May 1 (external). The long-range planning department would test pilot the best practices. Ms. Stacey distributed a survey (a copy is included in the meeting record) to evaluate meeting participants' feedback.

Deputy Council President Park felt the overall project was valuable. He wondered if public records requests would be helped. Mr. Jordan thought there was potential for that. Councilor Liberty asked about technological advances that could make audio recordings searchable. Mr. Jordan said such things were being explored. Metro was applying for a grant for digital recording of meetings. Mr. Cooper said, under state public meeting law, minutes were not required. Audio and video requirements were acceptable, but under the state public records retention schedule, permanent records were required, and digital storage was not considered permanent.

Councilor Burkholder mentioned his experience with the Housing Choice Task Force, where they experimented with new ways of doing the work. Did they envision training on different ways of organizing people's time? Ms. Stacey said there were 8-10 different models of meetings that could be applied depending on the circumstances.

2. OREGON CITY CONCEPT PLANNING

Ray Valone, Principal Regional Planner, introduced Dan Drentlaw, Community Development Director for Oregon City. Mr. Valone first reviewed the Beaver Creek plan, near Clackamas Community College. The land was brought into the boundary in 2002 and 2004, with 300 gross acres designated as industrial; the rough calculation was that 120 net acres were buildable. The remaining land was not buildable, primarily due to power line placements, but could contain parking lots or stormwater runoff. The plan had been narrowed to two scenarios. Alternative A provided 130 acres of net employment land and 24 acres of mixed employment. The community had expressed a preference for the term "employment land" over "industrial land." The intent was to get family wage jobs in the area. This was envisioned as campus industrial type that met Title 4. The plan also contained residential land of varying densities.

Councilor Hosticka wondered if we put something on industrial land, did that automatically make it an industrial purpose? Councilor Newman suggested that the Council relied on local knowledge when bringing land into the boundary. Our goal was for the local jurisdiction to meet the assumptions for the land. Councilor Burkholder wondered what Metro's responsibility was; we had told the state that we would bring in 120 industrial acres. He was concerned that if we did not meet the target, we would have to bring in more land somewhere else. Councilor Liberty questioned the addition of residential and office areas.

Mr. Drentlaw discussed Alternative D, designed by Northwest Development Solutions. This contained more mixed use and less pure employment—only 70 acres. The project committees were advocating for less industrial land. Councilor Park asked how this design would help or hurt Oregon City's regional center. Mr. Drentlaw agreed that they did not want to do anything to harm a regional center. Councilor Liberty asked whether the employment land would be Title 4 compliant. Mr. Valone said that information would be in the final proposal. Councilor Liberty was starting to see a pattern of industrial or employment land turning into more mixed uses. Mr. Valone stated that they were also trying to incorporate sustainable practices and good planning. The tension between the 20-year land supply and the projects on the ground created uncertainty for landowners.

Councilor Harrington preferred to be consistent about the connection between community creativity and accountability to state requirements. She asked what were the 10 principles of sustainable community design. Mr. Drentlaw described it as something the community group had been working on. Councilor Newman talked about the conflict between aligning community interest with individual interest; the landowners sometimes wanted to have their land put to the best and highest use immediately. They didn't necessarily want to wait for the jurisdiction to complete the zoning. He did not see a compelling reason the 120 acres could not be met; he therefore preferred Alternative A. The communities should not have to face a moving target; we either needed to be more prescriptive at the front end or more flexible at the other end.

Councilor Hosticka said this was an example of why we should do concept planning before an expansion, and why we needed performance measures. He was particularly concerned that the golf course owner had advocated for industrial land, yet the golf property showed no industrial at

all. It called into question the legitimacy of the UGB process. Councilor Liberty talked about managing expectations, state requirements, and distributing mixed use to the edge. Was that consistent with the regional centers strategy?

Mr. Valone then presented a hybrid proposal with two handouts (a copy of each is included in the meeting record). He emphasized the draft nature of the proposal. The hybrid met the 120-acre requirement. Mr. Drentlaw spoke to the community's preference for lower density. Councilor Liberty did not understand the desire to "feather out" higher density towards the edge. He felt it was okay to have density right up to the edge, especially if the edge might move. Mr. Valone and Mr. Drentlaw agreed but said there had been concerns from the neighbors.

Councilor Burkholder talked again about Metro Council's responsibilities. What was termed industrial? Was there a state definition? What did Title 4 say? Mr. Benner said that the state had accepted Metro's Title 4 definition of industrial. It should be 120 acres zoned in a way that complied with Title 4 for industrial land—not employment land. Staff felt the hybrid met the 120 acres. Deputy Council President Park wondered if the planned housing would attract yet more housing. There seemed to be resistance to industrial.

Deputy Council President Park wanted to make sure we met our industrial use commitment. Councilor Newman was comfortable with the hybrid, although maybe it should contain more employment land over mixed use. Councilor Burkholder liked some of the features of Alternative A over the hybrid. Staff said those could be incorporated, but the hybrid had been done very recently. Councilor Harrington was concerned about the use of the word employment lands; why not use the industrial areas land use designation? Mr. Valone said they were going for a tech/flex type of use, but the zoning hadn't been done, so they wouldn't know if it was Title 4 compliant. He thought it would be. He confirmed that Council wanted to hold to 120 net acres of Title 4 compliant land (industrial, not necessarily just employment).

Councilor Liberty was concerned that the proposed mixed use would draw away from the centers strategy. Deputy Council President Park shared the concern about the housing on the south end. He recalled that the golf course should be fairly flat for industrial purposes. Mr. Jordan said the city would have to think about how this project fit into their overall regional expansion. Also, there would need to be a significant discussion about the transportation impacts.

Discussed next was Park Place. This area was brought into the boundary in 2002, with 300 acres for housing. It needed to connect Redmond Road and Holcomb Blvd. The city wanted to plan it along with a previous 180 acres. Mr. Valone distributed the final recommended draft plan (a copy is included in the meeting record). It was a very geographically constrained area, with limited roadway connections, unstable soils, and landslide concerns. Mr. Drentlaw said the good thing about the location was that it was close to a regional center. The bad thing was the constraints. Over half the acreage was in water resource or steep slopes. The basic design idea was North and South Village. There was a need for roads to parallel 213, which was about at capacity. The main issue was financing. There would be about 1,450 dwelling units. Councilor Newman thought it looked good. He wondered about the planning process. Mr. Valone clarified the steps. Oregon City had voter annexation for both these areas.

Councilor Hosicka liked the plan, including the quarter-mile radiuses. Councilor Harrington approved, as long as it met the requirements. Councilor Newman liked it. Councilor Liberty liked the village center; he appreciated the constraints of the terrain, but that helped build the village. He asked about the downtown, how did those work together? Mr. Drentlaw said the main

connection was Redland Road. They were waiting for the results of a traffic analysis. Deputy Council President Park said it looked good; it could be a desirable place to live, but the financing would be tough.

3. BREAK

4. DISCUSSION ON RESERVES (PERS RESERVE AND RECOVERY RATE STABILIZATION RESERVE)

Bill Stringer, Chief Financial Officer, reviewed the 2007-08 Budget Calendar with Council. He distributed a handout on the recent double triple-A bond rating (a copy is included in the meeting record). Metro was the only elected regional agency with that rating. In terms of the \$227 million for the natural areas bond measure, this would amount to ¼ of one percentage point, or a \$7.5 million reduction in interest paid over the life of the bond. He said that Metro for the 11th year in a row had received the Government Accounting Office outstanding budget plaque. That's the kind of discipline that was required to get the triple-a from both agencies. He thanked his staff.

Mr. Stringer distributed Council President Bragdon's March 13 budget memo (a copy is included in the meeting record). He talked about the process, including upcoming deadlines. Amendment votes would take place May 3. Spending amendments must be accompanied by revenue increases or expenditure decreases. Don't assume the use of fund balances or contingency funds. Councilor Newman clarified that we had used contingency in past years. Mr. Stringer said the hope was that that would not happen this year. The ultimate game plan was to obligate only those resources that were available in the current year. Funnel requests for assistance through the COO. Please don't ask staff what to cut to fund your proposal. Kathy Rutkowski, Budget Coordinator, said the budget document would consist of three volumes. Volume 1 would have narrative and summary information; Volume 2 was the legally required line-item detail laid out by funding department; Volume 3, the new volume, was the program budget—all the proposed programs had been summarized and organized by Council goal, including a five-year forecast. There would also be the three-ring budget notebook, which would contain transmittal memos from directors, line-item detail analysis, and explanations of requests for new employees.

Councilor Burkholder wondered about the appropriate amount of contingency and reserves. Mr. Jordan said the Council President's budget would include suggestions for those areas. If Council believed the reserves were not high enough, there would be fewer restrictions in the strategic reserve. Ms. Rutkowski said, once monies were adopted into an unappropriated balance, they could not be used until the next year. Councilor Liberty had some questions about the voting procedures and budget approval. Mr. Jordan talked about the process and the need to present the budget to the Tax Supervising and Conservation Commission (TSCC). Councilor Hosticka asked about budget amendments after July 1. Ms. Rutkowski said that monies in unappropriated balances were all but impossible to access until the next budget year. Deputy Council President Park said he would like to see the enterprise funds separated out somehow. Mr. Stringer stated that the concept of the general fund was to consolidate the entire agency's need for contingency, thereby reducing the total overall amount needed. Mr. Jordan said the amounts could be broken down by department. Councilor Liberty said he would like to see that for the larger amounts.

Ms. Rutkowski reviewed the Public Employee Retirement System (PERS) handout (a copy is included in the meeting record). She quickly summarized the presentation from last week. She restated her recommendation to maintain about 50% of the reserve, thereby leaving about \$4.5 million to spend. The biggest gap in the current budget was in new capital. The solid waste

monies had restrictions; one option would be to pay off the bonds. Councilor Hosticka asked some questions about how the departments were spending the money, now that they no longer had to contribute to the PERS reserve. Mr. Stringer said some departments were basically going back to the way things were before they had had to start contributing to the reserve. Ms. Rutkowski added that most departments were using it to increase their programs. Councilor Hosticka noted that, if PERS contributions needed to go up again, that would mean reductions in programs. Mr. Stringer indicated that the departments were being asked to review the sustainability of their financial commitments. Ms. Rutkowski said no decision needed to be made immediately; if no action were taken by May 3, the reserve would likely remain unappropriated. If Council chose to spend the monies, they should at least be moved into the contingency.

Ms. Rutkowski distributed a handout on the recovery rate stabilization reserve (a copy is included in the meeting record). She gave a quick history of the excise tax on solid waste. If the reserve went above 10% of total Metro excise tax for the prior two years, we would have to issue some refunds. The fund was sort of being used to smooth out the fluctuations. Councilor Newman asked about changing the triggering mechanism; Deputy Council President Park responded that the negotiations with the industry had been very complex. Mr. Stringer said those issues were being talked about; the matter would come to a head in 2009. The only restrictions were because it was an excise tax. Other than that, it was flexible money. It was in the general fund.

5. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Liberty distributed a handout on the 2007 economic development speaker series (a copy is included in the meeting record). He also mentioned that someone was questioning his ethics in regard to the Columbia River Crossing. Washington Congressman Brian Baird called him last month and asked him some questions on the subject. Councilor Liberty made it clear to Congressman Baird that, as an employee of Oregon Congressman Earl Blumenauer, he could not lobby but that he could answer questions. Someone has since claimed that Councilor Liberty was behaving unethically.

Councilor Harrington reported on her attendance today at the Hillsboro Chamber of Commerce.

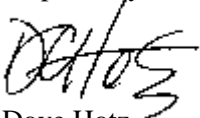
Councilor Newman reported on the Milwaukie lightrail open house, with about 150 people attending. He felt it had been very positive.

Councilor Hosticka said that House Bill 2551 had passed.

Deputy Council President Park commented that there would be a solid waste issue, regarding new materials recovery facility (MRF) standards, at tomorrow's Metro Policy Advisory Committee (MPAC) meeting.

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 5:01 p.m.

Prepared by,



Dove Hotz
Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
MARCH 13, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	3/15/07	Agenda: Metro Council regular meeting, March 15, 2007	031307c-01
1	Meeting Management	1/24/07	To: Metro Council From: Chris Billington Re: Meeting Flow Chart	031307c-02
1	Meeting management	undated	To: Metro Council From: Cary Stacey Re: Draft Meeting Survey	031307c-03
2	Oregon City	undated	To: Metro Council From: Ray Valone Re: Hybrid Summary	031307c-04
2	Oregon City	3/9/07	To: Metro Council From: Ray Valone Re: Hybrid Composite Concept Plan Draft	031307c-05
2	Oregon City	undated	To: Metro Council From: Ray Valone Re: Final Concept Plan, Park Place	031307c-06
4	Budget	3/13/07	To: Metro Council From: Bill Stringer Re: Moody's assigns underlying Aaa rating to Metro	031307c-07
4	Budget	3/13/07	To: Metro Council From: David Bragdon Re: Procedures for Consideration of FY 2007-008 Proposed Budget	031307c-08
4	Budget	3/6/07	To: Metro Council From: Kathy Rutkowski Re: PERS Reserve Presentation	031307c-09
4	Budget	undated	To: Metro Council From: Kathy Rutkowski Re: Projected Balance in General Fund Recovery Rate Stabilization Reserve	031307c-10
5	Communications	undated	To: Metro Council From: Robert Liberty Re: 2007 Economic Development Speaker Series	031307c-11