

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, April 10, 2007
Metro Council Chamber

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

Councilors Absent: Carl Hosticka (excused), David Bragdon (excused)

Deputy Council President Park convened the Metro Council Work Session Meeting at 2:05 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, APRIL 12, 2007//ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS

Councilor Harrington talked about her efforts to prepare for the Chief Operating Officer's performance evaluation. Deputy Council President Park reviewed the April 12, 2007 Metro Council agenda. The Measure 37 claim has been postponed.

2. 2007-08 BUDGET WORK SESSION

Kathy Rutkowski, Budget Coordinator, distributed a detailed agenda and a document on non-departmental expenditures (a copy of each is included in the meeting record). Deputy Council President Park introduced the topic of what to do with the reserves. Ms. Rutkowski pointed out the two draft amendments—one moved the entire Public Employees Retirement System (PERS) reserve from unappropriated to contingency, and the other moved the entire recovery rate stabilization reserve from unappropriated to contingency. This would provide maximum flexibility of the funds. She responded to Councilor Burkholder's questions about rate covenants and other restrictions. Councilor Newman asked about the amounts. Wasn't the previous staff recommendation to leave half in reserves and move half into contingency? Ms. Rutkowski observed that Council had made no response to her recommendation of moving half, so she had proceeded with the current proposal. Councilor Newman preferred the 50% approach. Ms. Rutkowski said she could draft another amendment.

Councilor Liberty thought the current proposal preserved the maximum flexibility. Councilor Burkholder wanted a budget note saying that, if it were all put into contingency, some of it should be dedicated to PERS issues. Councilor Newman was more comfortable with not putting it into contingency. Councilor Liberty asked if there were any information coming by the end of the summer that might affect their decision. Ms. Rutkowski said the actuarial report had been received, that was the main thing they'd been waiting for. There was some outstanding litigation, but we didn't really need to wait for that. Councilor Liberty said it would be prudent to keep the reserve in case of the outcome of the litigation. Councilor Newman thought putting half into the contingency would provide a balance of safety and flexibility. Council directed staff to prepare an amendment keeping half in the reserve and putting half into the contingency, subject to any applicable restrictions.

Ms. Rutkowski then addressed the renewal and replacement contribution. It was currently budgeted as if it would move into the Metro capital fund. It could stay as it was now. Council could provide direction not to make the transfer until they had more information. Councilor Newman asked if the \$5.7 million amount was to make an annual contribution consistent with what we did currently. Ms. Rutkowski said yes. Councilor Newman said he was comfortable with

the staff proposal. Councilor Harrington was more comfortable with the previous proposal. Councilor Liberty agreed. Deputy Council President Park emphasized it was a reserve account, but one that was intended to be spent.

Ms. Rutkowski then walked through the general fund non-departmental expenditures and debt service. The sponsorship funds had been reduced. They discussed the need for more thoughtful consideration of the sponsorship category. Councilor Liberty said he had submitted two requests for sponsorships and never received a response. He was not comfortable with the reduction. Councilor Harrington asked to see a list of the sponsorships that had been submitted. Councilor Newman offered to draft an amendment to maintain the previous sponsorship level. Councilor Burkholder said these funds could be used for Metro to participate in relevant professional associations. Deputy Council President Park felt it would be helpful for Council to have a fuller discussion about such participation. Generally, Council was unclear on the sponsorship process. Kathryn Sofich, Council Policy Coordinator, offered that she had been working on the sponsorship process and would provide more information to Council.

Ms. Rutkowski reviewed Metro's outstanding debt. Most of it related to bonds. She mentioned the various payments and how they were paid. Councilor Liberty asked about the terminology of "full faith and credit"; did that mean we were pledging to pay it back, but we treated it internally like a revenue bond? Ms. Rutkowski said we pledged only as a revenue source. Mr. Stringer said the largest reason was to be able to sell the bonds. The market expected that certain bonds would be revenue bonds, and certain would be full faith and credit. Council and staff discussed details of the various debts. Councilor Burkholder asked what was Metro's debt to equity ratio? Ms. Rutkowski segued into the chart showing outstanding and planned debt. Councilor Burkholder wanted to know about our assets, such as land and buildings. Mr. Stringer said an asset assessment was currently underway. Lastly, Ms. Rutkowski reviewed the chart on the property tax levy.

Councilor Burkholder asked about the opportunity fund. He didn't see a budget note describing what that could be used for. If most of the reserves were moved into contingency, what was the relationship to the opportunity fund? Council discussed the process they wanted to see in terms of dealing with the reserves, making amendments, and the use of the opportunity fund.

3. BREAK

Postponed due to brevity of budget discussion.

4. NATIONAL ELEPHANT CENTER

Tony Vecchio, Oregon Zoo Director, thanked Council for the opportunity. This had come up unexpectedly quickly. He apologized that it was not included in the budget process. He introduced Mike Keele, Deputy Zoo Director and elephant czar. Mr. Vecchio distributed a document about the elephant center (a copy is included in the meeting record) and talked about the vision for the center. The facility was in Arkansas; it was an existing elephant farm to be bought and run by a nonprofit board. All American Zoo and Aquarium Association (AZA) zoos were being asked to contribute, with the elephant-holding zoos being asked for larger amounts. The annual contribution would be \$10,000, in addition to a five-year pledge for startup costs of between \$100,000 and \$500,000. As a leader in the area, Portland has been asked to consider the \$250,000 level over five years.

Councilor Harrington asked about timing; she understood the proposal had not been received in time for the current budget, but was the group assuming this would be done outside of the current budget cycle and process? She was not comfortable with that. Mr. Vecchio said the AZA asked for an answer by the end of March. He declined, seeking Council input first. He was grateful to be squeezed onto the agenda. Councilor Harrington asked what it would cost to transport an elephant to Arkansas. Mr. Keele said transportation was about \$2 per mile. Once at the center, there would be additional charges for room and board. Councilor Harrington asked for a gross estimate of what the charge would be. Mr. Vecchio said under \$10,000. We just moved a bull elephant to Portland from Southern California.

Councilor Liberty said it was unusual for a facility to have three bulls, as we did. We had a lot of elephants for a zoo of our size. The center would provide more flexibility in managing our herd. How did this intersect with animal rights activist expectations regarding elephants? Mr. Vecchio said the AZA was careful not to use the word "sanctuary." That was a hot button within the animal rights arena. One of the challenges was that the standards for animal care had been increasing for years. There were AZA accredited zoos that were not meeting the standards for elephants. This new center would be a great tool. It would be something good to show the animal rights groups.

Councilor Newman asked how the \$10,000 annual contribution would be contained. Mr. Vecchio said that would be a function of the board of directors, who would be zoo professionals. He felt \$10,000 per year was a good value. The center director would do a lot of fundraising, and they had a lot of other revenue ideas. They wanted to open this summer and were seeking a contribution by the end of 2007. Councilor Burkholder said he would entertain a budget amendment. This should come through the budget process, especially since it was committing future revenues. He suggested Councilors Newman and Liberty draft the amendment. Councilor Harrington asked if the center would have an advisory committee in addition to the board of directors, to include people such as Mr. Vecchio and Mr. Keele. Mr. Vecchio said the center had more or less promised Portland a seat on the board if we participated at the \$250,000 level. Councilor Newman agreed that he and Councilor Liberty would work on the amendment. He felt the Zoo's success would result in some funds at the end of the year that could come into play. Overall, Council supported the concept.

Mr. Keele said there were 12 elephants on the property currently, some of which were valuable reproductively. If we participated at the \$250,000 level, we would have access to that gene pool. Some of the existing animals might be moved into participating zoos, freeing up space for the intended uses. Mr. Vecchio considered it an investment in a tool that we would likely use in the future.

BREAK

5. PORTLAND-MILWAUKIE LIGHT RAIL

Ross Roberts, Transportation Planner, said a lot had been going on in the last few months. He wanted to recap the current status and talk about some alternatives and the purpose and need. He introduced Bridget Wieghart, Corridor and Freight Manager, as the guru of the Supplemental Draft Environmental Impact Statement (SDEIS). Mr. Roberts started with the purpose and need statement. These have been the same for quite a few years. He talked about failed funding in the past. Since then, public outreach and alternatives had reinforced support for the existing project. He talked about some of the other work in the area affecting the current plan. It was important

that we were calling it a supplemental DEIS. We could keep the same purpose and need. The Federal Transportation Authority (FTA) had approved this approach. He pointed out the route and stations. Council discussed the length between stations, travel times, and distance from stations to major streets.

Mr. Roberts said the working group had identified a park and ride at Kellogg Lake in Lake Oswego, but that land had become unavailable. The working group alignment was one the city was interested in, but there was no longer a viable terminus. There was a potential site at Lake Road. The project was being packaged to be federally competitive. In terms of the timeline, if everything went as planned, the SDEIS would start in May, be completed early in 2008, the locally preferred alternative (LPA) decision would take place March 2008, the project would return to Council, preliminary engineering would occur, and then TriMet would become the project manager. The project could be open for business around the year 2015.

Ms. Wieghart spoke about the public process in Milwaukie. The Milwaukie working group was talking about bringing in another option. The refinement phase was somewhat unofficial; they were getting ready to start the SDEIS in May. They had talked to a lot of stakeholders and held an open house. She showed a chart of the LPA, two designs, and the route and stop options. They were trying to identify a site for a park and ride.

Councilor Harrington asked how far it was from the end to downtown Portland. Staff stated it was about six miles. Councilor Harrington was concerned about park and ride capacity, especially unmet demand. Councilor Newman said the budget was also important. They hoped to make it flexible to add on in the future. Councilor Harrington emphasized that every stop was transit time lost for the commuter. Ms. Wieghart said the quarter-mile standard of how far people were willing to walk would affect the placement of the stops. A technical analysis was forthcoming. Staff indicated that bus connections were another factor feeding into the stop location. Mr. Roberts said we were trying to space stops farther apart and maintain the regional nature of the system. In response to Deputy Council President Park, Ms. Wieghart said the working group option was designed to avoid the industrial area and respond to concerns about a park and ride interfering with the industrial neighborhood. In response to Councilor Liberty, she mentioned some of the issues in building too close to a railroad line. She referred to last night's open house at the Oregon Museum of Science and Industry (OMSI) and mentioned some of the alternatives for crossing from the east side to the south waterfront area and the uncertainty around Oregon Health and Science University's (OHSU's) property in the area. She then went into more detail on the river crossing options and routes. The development of South Waterfront was drawing routes closer to that area. Deputy Council President Park asked about implications for the streetcar. Ms. Wieghart said it would complete the streetcar loop and would also have pedestrian and bicycle access. Mr. Roberts spoke about the Hawthorne Bridge as an emergency fallback site. Ms. Wieghart reviewed some pros and cons of each option.

Councilor Burkholder asked what staff needed from Council. Councilor Newman said the steering committee was going to review it. The Council was being asked to weigh in. Councilor Liberty confirmed there was no change to the purpose and need. Ms. Wieghart said the detailed analysis of ridership would come with the SDEIS in about a year. Councilor Harrington was also sensitive to the ridership analysis. Councilor Burkholder challenged the assumption that people would not walk more than a quarter mile. He felt a half mile was very manageable, especially as a draw to a high quality light rail transit project. He asked staff to check research on this. Also, we should charge for park and rides. If we couldn't provide the supply to meet demand, then we needed to manage it. We shouldn't just focus on the needs of people on the edges to come

downtown, and keep expanding roads and lots—displacing the locals and shifting that cost to the people who live there currently. He felt the overall direction was good. Lastly, in the Milwaukie industrial area, many of those operations had been empty for many years. It had become more of a mixed use area, not a heavy industrial area. It could change to mixed use pretty quickly; was the City committed to keeping it industrial? Ms. Wieghart said the belief was that there was a trend toward more manufacturing industrial over warehouse industrial. There was not a trend toward commercial, but employment density was increasing.

Councilor Liberty said the big cost was the bridge. Did everything have to go to that part of the central city? Councilor Newman said this would be going on intensely for the next year; when did Council want updates? What decision points were coming up? The big decisions would be in early 2008. Ms. Wieghart said they might want to be updated on the actual options coming out of the river crossing band. Mr. Roberts described upcoming steps. Councilor Liberty felt center-to-center connections that did not go downtown should be emphasized. Councilor Harrington said the project needed to take people where they wanted to go.

6. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Burkholder handed out a memo on the pace of the Regional Transportation Plan (RTP) update. This was a description of the process and an argument to keep moving ahead on the current schedule. For one thing, if we missed a deadline, there would be serious consequences. Also, it was an iterative process, involved with lots of other issues. We could always do amendments afterwards. The downsides of not completing were many, and it could always be amended. He recommended keeping to the schedule. Councilor Liberty asked, did we need to have new projects to update the RTP? Councilor Burkholder did not see them as new projects; the jurisdictions would be looking at their adopted transportation system plans and moving them forward for evaluation. Councilor Liberty asked if we had to do the first bullet? Councilor Burkholder responded that we needed a universe of projects to work from. They debated the issues. Deputy Council President Park said he was interested in factors, such as land use, to be applied to transportation, that would help set priorities and prepare scenarios. Overall, Council felt delay was not to our advantage.

This discussion was interrupted by some late breaking news from Council President Bragdon, via cell phone to Councilor Newman. Council President Bragdon reported on his trip to Salem. He reported on who attended and who testified. The consensus was that there a few things that needed to be clarified and fixed; we should keep working on it and bring it back. It had generally been positive. No one on the committee indicated their feelings on the bill and in fact seemed basically uninterested. It didn't seem they understood it. Randy Tucker, Legislative Affairs Manager, seemed pleased.

Discussion returned to the regularly scheduled meeting. Councilor Burkholder said we really had until September to make a decision. Councilor Harrington said we needed to be clear about when the discussion would occur saying, here are the policies in this version, let's complete the policies, but provide a parking lot for people to say, here's what we want to do differently. Councilor Burkholder said there would be a chance for other changes to Chapter 1.

Councilor Harrington described a lack of faith in the process, in her jurisdictions. The steps needed to be clearer, so she could confidently take it back to them. Lastly, she understood that it was primarily a Joint Policy Advisory Committee on Transportation (JPACT) project, but the Metro Policy Advisory Committee (MPAC) and the Metro Technical Advisory Committee

(MTAC) had also spent a lot of time on it; MPAC should at least be acknowledged in some way. Councilor Burkholder said this was for Council only. Councilor Liberty said as long as people were identifying with their projects, there would be limits on money. These were proxy fights over power and projects. We had to think about getting people to step back and say what we were trying to do in this part of the region.

Councilor Liberty reported on the upcoming economic development speaker series.

Councilor Burkholder reported on the meeting with the Oregon Transportation Commission (OTC) subcommittee.

Councilor Newman reported on the letter to the editor about construction on 205.

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 4:56 p.m.

Prepared by,

A handwritten signature in black ink, appearing to read 'Dove Hotz', written in a cursive style.

Dove Hotz

Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
APRIL 10, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	4/12/07	Agenda: Metro Council regular meeting, April 12, 2007	041007c-01
2	Budget	4/10/07	To: Metro Council From: Kathy Rutkowski Re: Metro Budget Work Session Expanded Agenda	041007c-02
2	Budget	4/10/07	To: Metro Council From: Kathy Rutkowski Re: Non-Departmental Expenditures	041007c-03
4	Elephants	undated	To: Metro Council From: Tony Vecchio Re: The National Elephant Center	041007c-04
6	Communications	4/10/07	To: Rex Burkholder From: Andy Cotugno Re: Draft, Update on 2035 RTP System Development Phase	041007c-05