

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, December 11, 2007
Metro Council Chamber

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

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

Deputy Council President Liberty convened the Metro Council Work Session Meeting at 2:01 p.m.

1. **DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, DECEMBER 13 2007/ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS**

Deputy Council President Liberty reviewed the December 13, 2007 Metro Council agenda. Councilor Liberty asked about Resolution No. 07-3883. Chief Operating Officer Michael Jordan explained, regarding Resolution No. 07-3883, that Council is to be reimbursed with expenses associated with the bond measure for expenditures on the headquarters hotel. The resolution will go before the Council on Thursday, December 13, 2007. Councilor Burkholder asked if a public hearing was required for a resolution (Resolution No. 07-3831)? Dan Cooper, Metro Attorney, answered that Metro has had a public comment period and Metro has had responses to that. Mr. Cooper mentioned, because of the nature of the RTP, there has to be a record and there needs to be responses to all comments. Mr. Cooper further mentioned that the record must be officially closed. There was further discussion on Regional Transportation Plan (RTP) testimony and the public involvement process between Councilor Liberty and Councilor Burkholder.

Councilor Park noted that a conversation with Council President Bragdon should occur. Councilor Burkholder noted that if someone wanted to testify they should have the opportunity to do that. Mr. Cooper noted that if you were going to take testimony, the record should be closed. Councilor Park was more concerned with 4.3 rather than 4.1 on the December 13, 2007 agenda.

Councilor Harrington asked whether adding alignments is reflected in the budget impact. Councilor Liberty noted it is being discussed later in the work session.

2. **BUDGET DISCUSSION**

Mr. Jordan noted the budget discussion would be an overall financial overview of Metro as a whole, rather than a program-by-program analysis. Mr. Jordan and staff were still clarifying some projections for the end of the year. Mr. Jordan further wanted to go through a list of brief issues, foreshadowing issues that would be brought forward in more detail in January and February.

Kathy Rutkowski, Budget Coordinator, introduced the standard budget process. Ms. Rutkowski focused on the general fund. She noted there was a lot of discussion on what an adequate reserve constituted, how to adequately manage current assets and how to provide for maintenance in the future. Ms. Rutkowski described the reserve process. She talked about different accounts created, including the Opportunity Account for the Council that allows the Council to take advantage of any strategic opportunities. Councilor Liberty noted a revision to be made in

language. Ms. Rutkowski took note of this. Ms. Rutkowski went through the General Fund Base Budget and five year forecast. She talked about different programs that affect the budget in the coming 2008-2009 fiscal year. Ms. Rutkowski clarified that the General Fund is about one million dollars out of balance (approximately one percent of the fund). She said that this is not that bad. She further described the budget steps. Councilor Park asked if this meant there were a million dollars to spend, and Ms. Rutkowski answered that it did not. Councilor Burkholder asked if the General Fund portion of the budget dealt with or addressed any headquarters hotel issues. Ms. Rutkowski said not yet.

Councilor Park asked about fulfillment of reserves. Ms. Rutkowski replied the General Fund budget process does not necessarily address fulfillment of reserves. Councilor Park asked about passing a resolution. Mr. Jordan answered about asset inventories and other MERC (Metropolitan Exposition and Recreation Commission) issues. Councilor Collette asked about the construction excise tax. Mr. Jordan noted that to put another line item on the ballot would not be expensive. Councilor Burkholder wanted to talk about the construction excise tax. He also asked about Councilor reserves. Councilor Harrington requested this information be finalized the beginning of the year before FY 08-09 discussions begin.

Councilor Harrington hoped that the process would revisit current operations/programs and support level processes; she wanted to support that methodology. Mr. Jordan noted that Metro is oversubscribed given available resources; he would like to reevaluate and reallocate resources so that staff and the agency are more focused on Council priority issues. Mr. Jordan noted that each department had different priorities regarding funding, and he asked what happened when a priority that was less important for one department was more important for another department. Mr. Jordan wanted to clarify this and get Metro and the agency in focus. He stated the coming year should be called 'The Year of Focus.' He also noted the need for goals to be framed and solidified. He hoped program prioritization would be completed by early January.

Mr. Jordan continued to discuss issues that may influence the FY 2008-2009 budget. He thought one important issue was who owned the general fund. He asked, "How do we continue to keep a consolidated general fund, but continue to manage the fund in a way that incents management behavior?" He noted these issues would not necessarily be included directly in the budget. Councilor Collette asked about the size of different expenditures in relation to the general fund. Mr. Jordan answered that relative to different organizational budgets, some incentive expenditures would be very small in relation to the general fund.

Mr. Jordan talked about the spending limit and noted a few complications. He noted they would bring a proposal to the Council that examined the elimination of the excise tax from the zoo, which would recoup this revenue with property tax revenues.

Councilor Harrington asked that the proposal address all aspects if revenues exceed expectations. Councilor Park hoped the proposal would look at the political aspects of the zoo. Mr. Cooper addressed Councilor Park's concerns and explained the legal history of levying property taxes and other various taxes, and further explained the property tax system. Councilor Park addressed the relationship between property taxes and the voters, and asked the Council to evaluate the different political contexts. Mr. Jordan agreed there are political overtones, and noted numerous local governments have gone through this same process; Clackamas County for instance. Mr. Jordan said political overtones are definitely there, but there is a cap, and pressure is taken off the cap when reallocating taxes. Mr. Jordan noted another piece of the excise tax is the Recovery Rate Stabilization Fund. He explained the excise tax collection process and its role in the fund.

Councilor Harrington noted the Nature in Neighborhoods grant program is funded by the Recovery Rate Stabilization Fund. Mr. Jordan noted the cap on the excise tax is not a cap on revenue, but on expenditures, and that this should always be considered. Councilor Harrington, Councilor Park, Mr. Jordan, and Mr. Cooper exchanged dialogue regarding expenditures in relation to the reserve fund, and also tax expenditure caps.

Mr. Jordan brought up some final issues with the Solid Waste system and other budget issues. Ms. Rutkowski noted that economic implications would not be reflected in the budget. Councilor Burkholder noted that when you talk about solid waste rates, other factors should be looked at besides solely 'what is the cost;' looking at behavior rates, etc. need to be examined as a Council. He said there is a lot of interest in increasing recycling rates.

Mr. Jordan summarized issues associated with the FY 2008-2009 budget. One was the relationship between capital improvements and operations regarding the addition of new parks, most notably the Connecting Green program and other open spaces that will open to the public. Reserves were discussed in relation to budget sustainability. The headquarters hotel second stage was discussed and its subsequent budget impacts. Councilor Harrington asked about the timeline of next steps and Mr. Cooper noted it would probably extend into late-June at the latest.

Councilor Harrington clarified issues important to her in regards to budget development. She said doing more in regards to community building should be a regional priority. She also wanted to increase creativity. Mr. Jordan said her comments were recorded for future reference.

Councilor Burkholder noted that he would like a clear idea of what was meant by sustainability. He wanted next steps to be easily understandable with clear goals in the budget proposal. Councilor Harrington requested a guide to summarize changes to the budget. Councilor Park noted that the agency has a 'split personality' – one side being public services and the other enterprise operations – he wanted help to more easily explain the Metro budget. Councilor Collette wanted to be briefed on the Metro budget.

Councilor Liberty commented that we seem to be 'hand-to-mouth' with some planning functions. Also, there were a number of big projects underway; he noted that sometime mid-year there should be a project and budget review in regard to project process.

3. BREAK

4. LAKE OSWEGO TO PORTLAND CORRIDOR ON ALTERNATIVES TO BE ADVANCED INTO THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

Councilor Burkholder introduced the presentation by Ross Roberts, Transit Program Director for Lake Oswego Planning Department, and explained the Lake Oswego to Portland Corridor on Alternatives.

Councilor Liberty noted this was an opportunity to clarify before action is taken on Thursday. Mr. Roberts said the decision made on Thursday could kick off project development, and would be a vital next step in the process.

Mr. Roberts stated that the decision the Council made on Thursday, December 13, 2007 would kick off the Draft Environmental Impact Statement (DEIS) for project development. He said they have completed an alternatives analysis. He further noted that the DEIS phase would allow a

more in-depth study of other alternatives and other specificities, and described how the project fit into other transportation project priorities in the region. Councilor Liberty asked about cost estimates. Mr. Roberts described the process that determined cost estimates. The project cost a little less than \$200 million. Mr. Roberts gave an overview of the project (refer to attachments 121107cw-06 and 121107cw-07). Mr. Roberts referred to local and federal funding. He presented the steering committee recommendation, and noted different operating costs. The steering committee did not want to see a bus alternative on Macadam drop off the table. Mr. Roberts proposed different options, alignments, and possible solutions (refer to attachments 121107cw-06 and 121107cw-07).

Councilor Harrington asked about Council concerns of the value of the Willamette Shore Line and whether concerns of losing the shoreline was presented to the committee. Mr. Roberts noted the steering committee considered citizen advisory groups' concerns and input. Councilor Liberty clarified any geographical alignment confusion the Council might have. Mr. Roberts explained the visual aides.

Councilor Liberty asked about the Macadam alignment in correlation to the shoreline alignment, and whether public transit would compete with automobile transport on Macadam versus the Shoreline alignment. Mr. Roberts stated that it would be difficult for public transit to compete with other transit in the John's Landing area. Mr. Roberts further addressed additional components of the project, including terminus issues. Councilor Liberty asked about interest from people in John's Landing regarding the terminus.

Councilor Burkholder noted that individuals looked for mutual support, and people came to a consensus agreeing to oppose components they did not like, and that was the LOPAC (Lake Oswego Transit Alternatives Analysis Project Advisory Committee) recommendation.

Mr. Roberts noted there were some legal issues regarding a bike and pedestrian trail on the Willamette shoreline. They need to look into this further. Mr. Roberts noted that there are funds in the planning budget for the E.I.S. (Environmental Impact Study) in the coming year. Finally, Mr. Roberts noted that Tri-Met, Lake Oswego, Oregon Department of Transportation (ODOT), Metro, Clackamas county, the City of Portland, and other project partners should undertake a refinement study.

Councilor Burkholder asked whether jurisdictions have expressed interest in participating in this project. Councilor Liberty asked whether this could be narrowed or if alternatives could be eliminated. Mr. Roberts noted this refinement study would identify what alternatives and options would be. Councilor Park asked where the Milwaukie light rail enters the project, and what was the 'shelf life' of an environmental impact study, and Mr. Roberts replied that it was three years, and was identified in the 2004 Regional Transportation Plan. Mr. Roberts noted that this project is ripe for project development and additional funds, as it is a smaller capital project (in comparison to a large light-rail project).

Councilor Burkholder noted that a high capacity transit study is a next priority – the Westside commuter rail being an example. The study could be done as early as next Fall. Councilor Liberty noted that he had not heard about what the study would encompass. Councilor Park's concern was how the study was put forward, and projects were assigned. Councilor Park did not know what sort of groundwork was involved. Councilor Harrington addressed language issues on page two and suggested revisions – changing 'would' to 'could.' Councilor Harrington noted in

‘Work Plan Considerations’ that language is not strong enough and additionally suggested revisions.

Councilor Liberty noted the statement ‘priority for transit funding.’ He wanted clarity and a decision about changing the language or not. He welcomed comments from Mr. Roberts.

Richard Brandman, Metro Deputy Planning Director, discussed that this project should be considered as a next priority. He additionally noted that enough resources have been invested in the project for this. Councilor Liberty asked if this was likely to generate some discussion at the Joint Policy Advisory Committee on Transportation (JPACT) meetings. Mr. Brandman answered that he does not know if the topic has been explicitly discussed at JPACT.

Councilor Park asked whether a certain or adequate level of discussion had occurred with this project. Councilor Burkholder noted that this project had been looked at in terms of direction and whether to do a DEIS on it. Councilor Burkholder did not think that discrepancies or word usage would affect the outcome or status of the overall project.

Judie Hammerstad, Mayor of Lake Oswego, expressed her objection to the usage of ‘priority’ in the context of transportation funding throughout the region. Councilor Harrington said language could be switched. Councilor Collette said that switching language might not completely solve the problem. Councilors Liberty, Harrington, Burkholder, Collette, and Park took an informal vote on switching language from ‘would’ to ‘could.’ Councilor Burkholder noted that the City of Portland should play a role in this project, and additional language should be changed. Mayor Hammerstad noted that characterization of the project groups be classified as ‘technical advisory groups.’ Mr. Brandman added that governments were doing the work, and the groups were providing feedback. Councilors Liberty, Park, Collette, Burkholder, and Harrington voted yes to additional language clarification. Councilor Park asked who was on the P.M.G. (Project Management Group)? Mr. Roberts answered it was representatives from agencies on the ‘front-line.’ Councilor Park also asked why the DEIS was not in the refinement study.

Councilor Harrington reiterated Councilor Burkholder’s comments on who was paying for and leading the project. Councilor Harrington noted that language played a large role in this clarification. Mr. Roberts noted this could be done through stated edits, and further as a Metro Council recommendation.

5. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Harrington mentioned the Chief Operating Officer Communication item on August 14th, 2007 regarding membership in business and trade organizations. There was a quorum of councilors who decided they would like a clear proposal from Chief Operating Officer Michael Jordan. Since this date, there has not been a proposal and Councilor Harrington would like a proposal. Membership guidelines were since changing and becoming pressing on whether to join or not. Councilor Harrington would like a proposal from Mr. Jordan in the near future if possible. Councilor Park stated there would be a headquarters hotel meeting on Monday, December 17th, 2007. Agreements with other governments were currently taking place, and meetings would continue. Councilor Harrington asked if it were possible to come up with a timeline sketch, and she asked if the project was on a timeline. Councilor Harrington expressed concern about Councilors missing updates and information during Councilor Communications. Councilor Harrington noted that updates were a way for Council and Councilors to self-organize.

Councilor Park noted that he had touched base with Clackamas County Commissioner Lynn Peterson regarding the RTP, and they were comfortable on moving to next steps with the process. Councilors Liberty and Burkholder had also spoken with individuals who support moving forward with next steps of the RTP. Councilor Park talked about the Reed College work session.

Councilor Burkholder said he was going to the Oregon Transportation Commission in the morning on Wednesday, December 12, 2007 to do a half-hour update and would explain to the Commission the need for support in order to accomplish the Regional Transportation Plan.

There being no further business to come before the Metro Council, Deputy Council President Liberty adjourned the meeting at 4:38 p.m.

Prepared by,

Tony Andersen
Council Operations Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
 DECEMBER 11, 2007**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	12/13/07	Agenda: Metro Council regular meeting, December 13, 2007	121107cw-01
2	Budget	12/11/07	Agenda: Setting the Stage for the FY 2008-09 Budget	121107cw-02
2	Budget	12/10/07	Consolidated General Fund FY 2008-09 Base Budget with Forecast, Draft as of 12/10/07	121107cw-03
2	Budget	12/08/07	Consolidated General Fund FY 2008-09 Base Budget with Forecast Notes and Assumptions	121107cw-04
4	Lake Oswego to Portland Corridor	12/07/07	To: President Bragdon From: Clackamas County Commissioners Martha Schrader, Lynn Peterson, and Bill Kennemer RE: Expressing support for the Lake Oswego Transit and Trail Alternatives Analysis Steering Committee	121107cw-05
4	Lake Oswego to Portland Corridor	11/01/07	Lake Oswego to Portland Steering Committee Recommendation	121107cw-06
4	Lake Oswego to Portland Corridor	07/12/07	Lake Oswego to Portland Transit and Trail Study, Evaluation Summary and Public Review Draft	121107cw-07
4	Lake Oswego to Portland Corridor	09/01/07	Lake Oswego to Portland Transit and Trail Alternatives Analysis Public Involvement Summary, September 2007	121107cw-08