

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL/EXECUTIVE OFFICER INFORMAL MEETING
DATE: September 24, 2002
DAY: Tuesday
TIME: 2:00 PM
PLACE: Council Annex

CALL TO ORDER AND ROLL CALL

I. UPCOMING LEGISLATION

II. CONSULTANT UPDATE ON METRO'S STRATEGIC COMPENSATION STUDY

Hankerson

III. EXECUTIVE OFFICER COMMUNICATION

- Urban Growth Boundary Decision Track Discussion

IV. COUNCILOR COMMUNICATIONS

ADJOURN

092402cc-01

Metro Strategic Compensation Study

**Project Status
September, 2002**

Project Objectives

- **To identify current Metro practices and variation**
- **To design an integrated strategic pay program that meets Metro's:**
 - **Business Strategy**
 - **Operational Needs**
 - **Employee Needs**
 - **Desired Culture**
 - **Ability to Pay**
- **To evaluate implementation challenges**

Project Focus

- **Metro's current situation**
- **Metro's future needs**
- **Recommendations for change to meet the future needs**
 - **What?**
 - **Why?**

Project Workplan

Activity

- **Planning**
- **Diagnosis and assessment**
- **Best practices survey**
- **Strategy development**
- **Gap analysis**
- **Design options**
- **Cost analyses**
- **Reporting**

Status

Completed

Completed

Completed

Draft

In process

In process

Future

Future

Diagnosis and Assessment

- **No common pay philosophy**
- **Shared orientation around market**
- **No shared definition of market**
- **Fragmented compensation programs**
- **Varied use of performance in pay administration**
- **No use of variable pay**
- **Multiple salary structures**
 - **Varied ranges (steps, widths, increments)**
 - **Varied pay opportunity for similar jobs**

Diagnosis and Assessment (continued)

- **Opportunity for classification consolidation (roughly 145 classifications across three groups)**
- **Common practices:**
 - **Job documentation**
 - **Reclassification**
 - **Promotion**
 - **Demotion**
 - **Probationary period**
- **Performance management inconsistently applied**
- **Pay increases not based on common criteria**

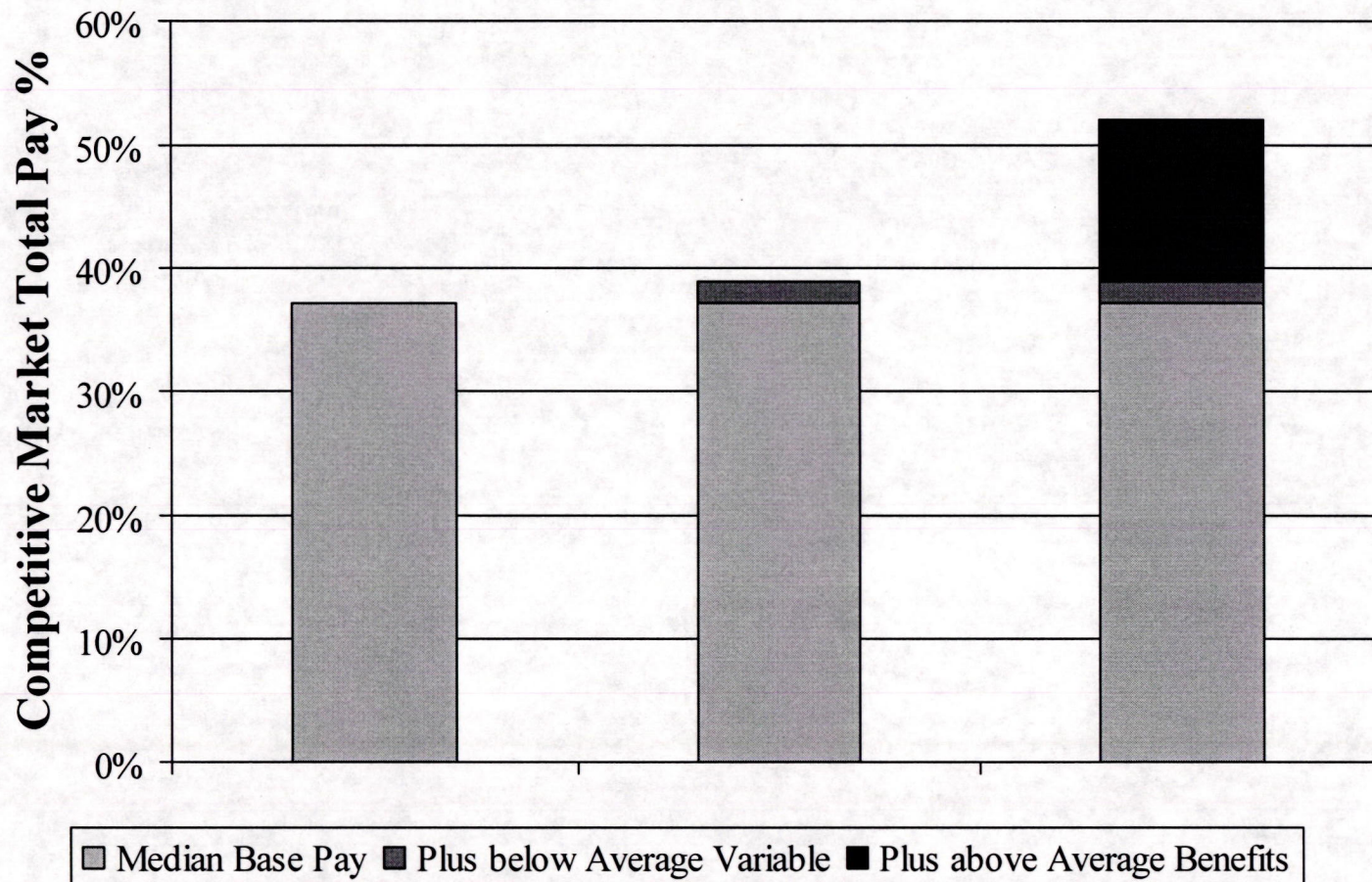
Diagnosis and Assessment (continued)

- **Benefits assist with retention**
- **Health insurance basically same**
- **Retirement same**
- **Holidays same**
- **Vacation similar**
- **Sick leave same**
- **Job sharing and flex schedule same**
- **Inconsistency in application of administrative leave/bonus time**
- **Other paid time off varies**

HR Challenges

- **Multiple systems (2 rep, 1 non-rep)**
- **Escalating health care costs**
 - **Impact on total rewards (see next slide)**
- **Workforce planning**
- **Training and professional development**
- **Regulatory constraints**
- **Demand for diverse workforce**
- **Bargaining Requirements**

Total Rewards Mix



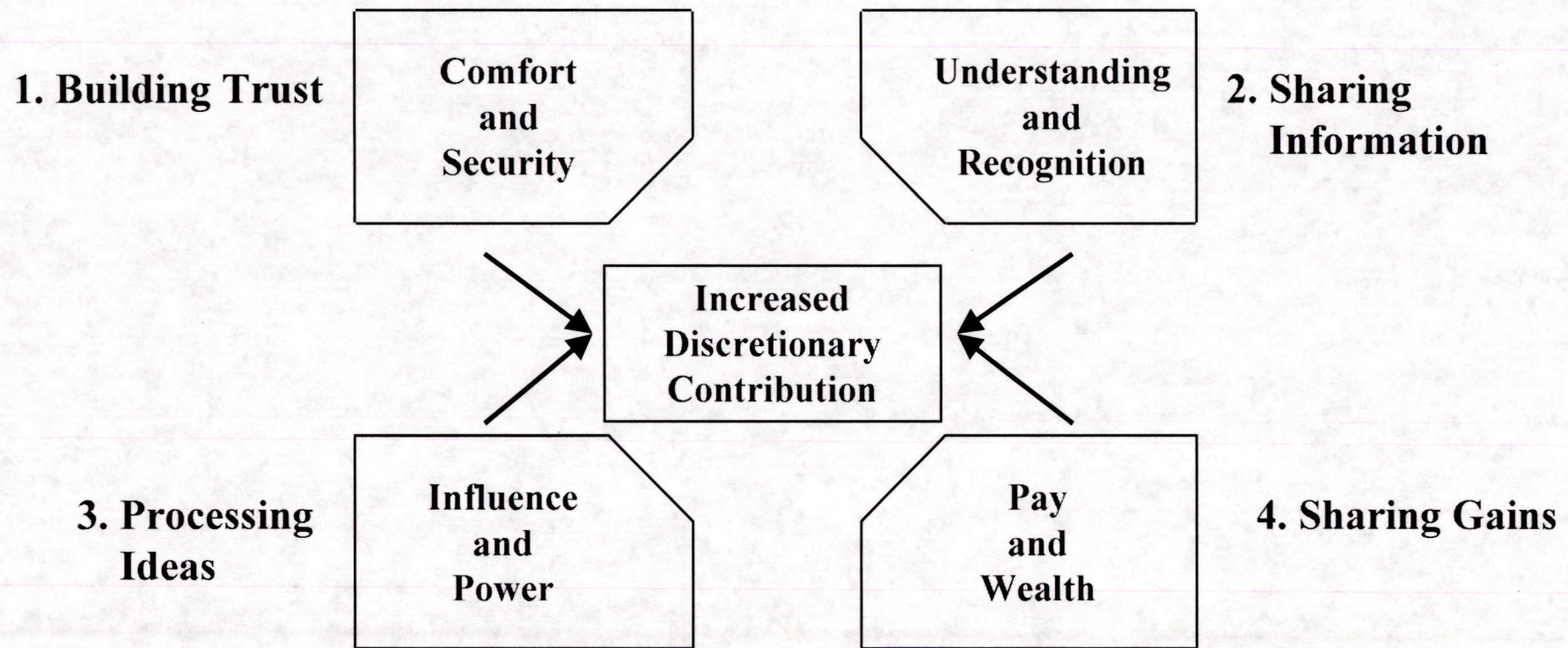
Best Practices Survey

- **20 participants**
- **82% target base at market 50th%**
- **Market includes:**
 - **Similar size**
 - **Similar industry**
 - **Similar geography**
- **30% use incentives for non-represented**
- **13% use incentives for represented**

Best Practices Survey

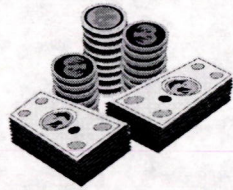
- **65% link pay to performance for non-represented**
- **13% link pay to performance for represented**
- **Typical pay mix:**
 - **68% base pay**
 - **32% benefits**
- **About 55% of organizations consider total compensation when benchmarking**
- **Benefits are roughly 36% of payroll**
- **Roughly 50% use non-cash rewards for both groups**

A Total Reward Strategy: Stakeholders

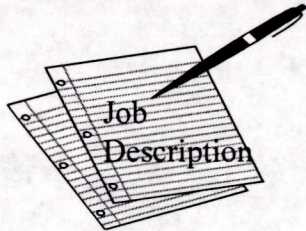


Most pay programs today merely buy time from employees

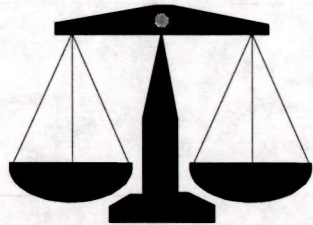
Reward System Design



Market Values



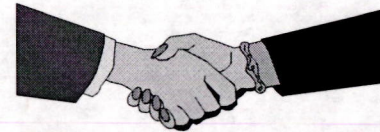
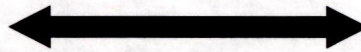
Job



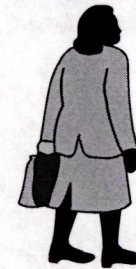
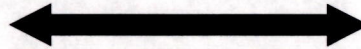
Equity



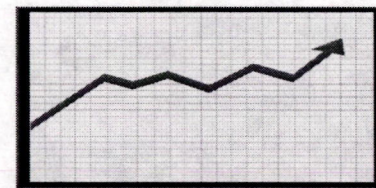
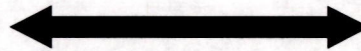
Team



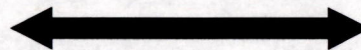
Company Values



Person



Performance



Individual

Draft Reward Strategy

- **Market driven**
- **Total compensation targeted above market median (contingent on our ability to pay)**
- **Pay linked to market value for each job**
- **Fair and consistent across our employee population**
- **Flexible in responding to changing market conditions**
- **Total compensation linked to knowledge, skills and results delivered**
- **Team and individually oriented**

Design Considerations

The design team is currently working on consensus related to pay strategy. The following elements appear to be agreed to:

- **Market should determine pay opportunity**
- **Pay should be linked to the “job” primarily, not the competencies of the individual**
- **Pay should have guaranteed elements and contingent elements**

Challenges

- **Organizational Transition**
- **Bargaining unit contracts not driven by “common directive”**
- **Managing different applications of market data**
- **Aligning market data and internal equity**
- **Multiple organizational units with potentially different needs**
- **Funding levels and restrictions**
- **Increasing health care costs**
- **Outstanding PERS issues**
- **Pursuing changes, if needed through bargaining**

Next Steps

- **Finalize recommended approach**
- **Complete gap analysis**
- **Review implementation issues/challenges**
- **Determine implementation plan**
- **Present report to directors for review/comment**
- **Present report to the Executive Officer**
- **Present report to Council**

Questions

COMMENTS

Decision Track
9/24/02

I. Housing and Employment Forecast: What Need the Region Must Accommodate

A. Housing

1. Four-County Population Forecast
2. Three-County Population Capture Rate
3. Metro Region 2022 Population Forecast
4. Dwelling Unit Demand

B. Employment

1. Four-County Jobs Forecast
2. Three-County Jobs Capture Rate
3. Metro Region 2022 Jobs Forecast

II. Capacity Analysis: How Much Housing and Employment Can the UGB Accommodate

A. Housing

1. Net Vacant Buildable Acres
2. Dwelling Unit Capacity
3. Net Dwelling Unit Need

B. Employment

1. Net Vacant Buildable Acres
2. Employment Capacity
3. Net Employment Need

C. Policy to Protect Existing Housing and Employment Capacity

1. Amend Title 1
2. Adopt Regional Framework Plan Policy 1.16
3. Adopt Title 12

D. Policy to Protect Capacity of Existing Employment Land

1. Adopt Regional Framework Plan Policies 1.4.1 and 1.4.2
2. Adopt Map of Regionally Significant Industrial Areas
3. Amend Title 4

III. Add Capacity: Existing UGB

A. Policy to Accommodate a Higher Percentage of Development by Infill and Redevelopment

1. Adopt Regional Framework Plan Policy 1.15
2. Amend New Title 6

B. Action to Implement Policy

1. Adopt Centers Strategy Work Program
2. Adopt Performance Measures

C. Increase in Capacity

IV. Add Capacity: Expand UGB

A. Policy to Ensure UGB Expansion Enhances Centers

1. Adopt Regional Framework Plan Policy 1.9

- B. Policy to Provide Interim Protection of Industrial Land
 - 1. Amend Title 11
- C. Delete Areas from Executive Officer's Recommendation
- D. Add Areas to Executive Officer's Recommendation
 - 1. Adopt Design Types
 - 2. Memoranda of Understanding (Application of Title 11)
- E. Adopt Technical Amendments to UGB

V. Adopt Ordinance

FOR THE PURPOSE OF AMENDING THE METRO
URBAN GROWTH BOUNDARY, THE
REGIONAL FRAMEWORK PLAN AND THE METRO
CODE IN ORDER TO INCREASE THE CAPACITY
OF THE BOUNDARY TO ACCOMMODATE
POPULATION GROWTH TO THE YEAR 2022; AND
DECLARING AN EMERGENCY

ORDINANCE NO. 02-__

Introduced by the Community
Planning Committee

WHEREAS, state law requires the Metro Council to assess the capacity of the urban growth boundary (UGB) every five years and, if necessary, increase the region's capacity to accommodate a 20-year supply of buildable land for housing; and

WHEREAS, the Council and the Land Conservation and Development Commission agreed that the Council would undertake the assessment and any necessary action to increase the capacity of the UGB as part of the state's periodic review process; and

WHEREAS, Task 2 of the periodic review work program calls for completion of the same assessment of capacity and increase in capacity, if necessary, by December 20, 2002; and

WHEREAS, the Council determined a need for 222,800 new dwelling units to accommodate a forecast population increase of 525,000 and for land to accommodate a forecast employment increase of 500,000 jobs for the three-county metropolitan region by the year 2022; and

WHEREAS, the Council determined that the existing UGB has the capacity to accommodate 179,200 new dwelling units and ____ new jobs; and

WHEREAS, policy measures to protect Industrial Areas within the existing UGB can accommodate an additional ____ new jobs; and

WHEREAS, policy measures to strengthen Regional and Town Centers as the hearts of the region's communities can accommodate an additional 4,900 units of needed housing; and

WHEREAS, expansion of the UGB in the Damascus, Gresham, Oregon City, Wilsonville, Sherwood, Tigard, Beaverton, King City, Hillsboro and Bethany areas can accommodate the balance of this needed housing (38,700 units) and ____ new jobs; and

WHEREAS, the Council consulted its Metropolitan Planning Advisory Committee and the 24 cities and three counties of the metropolitan region and considered their comments and suggestions prior to making this decision; and

WHEREAS, Metro conducted five public workshops in locations around the region to provide information about alternative locations for expansion of the UGB and to receive comment about those alternatives; and

WHEREAS, Metro published, on August __, 2002, notice of public hearings before the Council on the proposed decision in compliance with Metro Code 3.01.050; and

WHEREAS, the Metro's Community Planning Committee and the Metro Council held public hearings on the proposed decision on October __ and __ and December __ 2002, and considered the testimony prior to making this decision; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Title 1, Requirements for Housing and Employment Accommodation, of the Urban Growth Management Functional Plan (UGMFP) is hereby amended as indicated in Exhibit "A", attached and incorporated into this ordinance, in order to ensure that the UGB continues to provide capacity to accommodate housing and employment growth.
2. Policy 1.16 is hereby added to the Regional Framework Plan (RFP), as indicated in Exhibit "B", attached and incorporated into this ordinance, in order to protect residential neighborhoods pursuant to Measure 26-29, enacted by voters of the district on May 21, 2002.
3. Title 12, Protection of Residential Neighborhoods, as set forth in Exhibit "C", attached and incorporated into this ordinance, is hereby adopted as part of the UGMFP in order to implement Policy 1.16 of the RFP to protect residential neighborhoods pursuant to Measure 26-29.
4. Policies 1.4.1 and 1.4.2 are hereby added to the RFP, as indicated in Exhibit "D", and the accompanying map of Regionally Significant Industrial Areas, as indicated on Exhibit "E", both exhibits attached and incorporated into this ordinance, in order to increase the efficiency of the use of land within the UGB for industrial use.
5. Title 4, Industrial and Other Employment Areas, of the UGMFP is hereby amended as indicated in Exhibit "F", attached and incorporated into this ordinance, in order to ensure that Industrial Areas remain available for industrial use.
6. Policy 1.15 is hereby added to the RFP, as indicated in Exhibit "G", attached and incorporated into this ordinance, in order to increase the efficiency of the use of residential land within the UGB as it existed prior to adoption of this ordinance and within areas added to the boundary by this ordinance.
7. Title 6, Regional Accessibility, of the UGMFP, is hereby retitled as Central City, Regional Centers, Town Centers and Neighborhood Centers and amended, as set forth in Exhibit "H", attached and incorporated into this ordinance, in order to strengthen the roles of centers as the hearts of the region's communities and to improve the efficiency of land use within centers.
8. Performance Measures are hereby adopted, as set forth in the Performance Measures Report, Item __ in Appendix A, to evaluate the progress of efforts to achieve the 2040 Growth Concept and of actions taken in this ordinance to improve the efficiency of the use of land within the UGB.
9. Policy 1.9 is hereby added to the RFP, as indicated in Exhibit "J", attached and incorporated into this ordinance, in order to ensure, to the extent practicable, that expansion of the UGB will enhance the roles of Regional and Town Centers in the region.
10. Section 3.07.1110 of Title 11, Urban Growth Boundary Amendment Urban Reserve Plan Requirements, of the UGMFP, is hereby amended as indicated in Exhibit "K", attached and incorporated into this ordinance, in order to protect land added to the UGB as Regionally Significant Industrial Area from incompatible use during the planning for urbanization of the land.

11. The Metro UGB is hereby amended to include all or portions of Study Areas ___, more precisely identified in the Alternatives Analysis Report, Item ___ in Appendix "A", and mapped on the Alternative Areas Map, attached and incorporated into this ordinance as Exhibit "L", in order to accommodate housing and employment that cannot be accommodated within the UGB as it existed prior to adoption of this ordinance.

12. The Metro UGB is hereby amended to include those lands described in the Technical Amendments Report and accompanying maps, Item ___ in Appendix A, to make the UGB coterminous with nearby property lines or natural or built features in order to make the UGB function more efficiently and effectively.

13. Appendix A, attached and incorporated into this ordinance, is hereby adopted in support of the amendments to the UGB, the RFP and the Metro Code in sections 1 through 12 of this ordinance. The following documents comprise Appendix A:

1. Performance Measures Report
2. Regional Employment Forecast 2000 to 2030, December __, 2002
3. 2002-2022 Urban Growth Report: Residential Land Need Analysis
4. 2002-2022 Urban Growth Report: An Employment Land Need Analysis
5. Map Atlas Memorandum and Maps
6. 2002 Alternative Analysis Study
7. Technical Amendments Report

14. The Findings of Fact and Conclusions of Law in Exhibit "M", attached and incorporated into this ordinance, explain how the supporting documents described in section 13 of this ordinance demonstrate that the amendments to the UGB, the RFP and the Metro Code in sections 1 through 11 of this ordinance comply with state law and the RFP.

15. This ordinance is necessary for the immediate preservation of public health, safety and welfare because state law requires Metro to ensure that the region's UGB includes a 20-year supply of buildable land for housing upon the completion of its analysis of the capacity of the boundary. An emergency is therefore declared to exist, and this ordinance shall take effect immediately, pursuant to Metro Charter section 39(1).

ADOPTED by the Metro Council this ___ day of December, 2002.

Carl Hosticka, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel