

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, November 10, 2009
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Kathryn Harrington, Rod Park, Carlotta Collette, Rex Burkholder, Robert Liberty, Carl Hosticka

Councilors Absent:

Council President David Bragdon convened the Metro Council Work Session Meeting at 2:05 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, NOVEMBER 10, 2009, ADMINISTRATIVE/ CHIEF OPERATING OFFICER COMMUNICATIONS

Councilor Bragdon commented that most of the first-read ordinances for Thursday's Council meeting are related to the quarterly budget. Councilor Burkholder commented that, if the Council was interested, he would introduce an amendment to the Ordinance 09-1222 that makes all members of the Solid Waste Advisory Committee voting-members. The Council agreed that they preferred the ordinance in its current form, so the amendment will not be introduced.

COO Michael Jordan reminded the Council of last week's work session discussion regarding framework for taxing authority. An updated Memo will be re-distributed to the Council and, if the Council approves, made available to the public. Councilor Harrington requested that a more efficient method be enforced when distributing important materials, like this memo. Mr. Jordan also announced that the Council will see a piece of legislation to update the Metro code in regards to firearms, because it is not currently up to date with state law.

2. QUARTERLY MANAGEMENT REPORT, 1ST QUARTER

Mr. Jordan presented the quarterly management report for the 1st quarter of FY 2009-2010. The report includes a spreadsheet of programs and council projects at a glance. The structure of the report is different from in the past, because program areas are now consistent with specific budget lines. Mr. Jordan then highlighted the following topics in the report:

- Transit Oriented Development projects open and in progress;
- Glisan boat ramp;
- Design and pro forma of the Blue Lake Golf and Learning Center;
- Record attendance at performing arts and culture centers;
- Design review on the Schnitzer Concert Hall;
- Zoo Bond Advisory committee first meeting;
- Approval of land use for Veterinary Hospital at Zoo;
- Predators of Serengeti exhibit opening;
- Natural areas restoration efforts around the region;
- Solid Waste operation facilities;
- Miller Paint agreement;
- Final Impact Statement for the Portland to Milwaukie street car project;
- Recent opening of STIR restaurant in the Oregon Convention Center.

Councilor Park commented that although it was determined that the project will not be executed; the Headquarters Hotel should be included in the list of Council programs. Councilor Liberty confirmed with Mr. Jordan that this document will be made available to the public.

3. FY09-10 QUARTERLY FINANCIAL REPORT, 1ST QUARTER

Ms. Margo Norton gave a brief report to the Council on the FY09-10 Quarterly Financial Report for the 1st quarter. The impact of the economic recession is clear and will be seen this entire year and likely next year as well. The most significant findings in the year's report are in the area of revenue. Although all of the news is not bad, enterprise revenues and tonnage numbers are down. What are most concerning are the non-discretionary revenues, which are performing under budget projections. On the expenditure side we are mostly on track, but with the revenue loss we are encountering "on track" may not be sufficient enough. We will likely have to utilize reserve funding this year, although unlike last year we will not be able to replace the funds quickly. Trends will be overall more reliable at the six month mark of the fiscal year, or the end of the 2nd quarter.

4. FY10-11 GLOBAL FINANCING/ BUDGET ASSUMPTIONS

Ms. Kathy Rutkowski briefed the committee on the FY10-11 global financing/ budget assumptions. She focused on the following seven global revenue and expenditure assumptions:

- *Property Taxes*, which will encounter a 3% increase in assessed value and a 93% collection rate (down from 94% in FY09-10);
- *Excise Tax Resources*, which will encounter a 0% CPI inflation and a 2% decrease in tonnage revenue. Also, all facilities are seeing a decline in enterprise revenue which means an additional decline in the excise tax;
- *Interest Rate*, which is expected to be 1% of cash balances (down from 2% in FY09-10);
- *Inflation Factor*, which is recommended at 0% (down from 3% in FY09-10);
- *Salaries and Wages*, which will include change to the non-represented structure and a restructuring of the merit program;
- *Public Employment Retirement System*, which will not endure a rate change in the next fiscal year. However, in order to prepare for the significant rate change that will be coming in July 2011 we are recommending that 6% of revenue be contributed to the PERS reserve. Instead of taking advantage of the rate decrease, we will stay the course to help us maintain long-term stability and maintain a constant level of service;
- *Health and Welfare*, where is recommended that the policy of establishing one cap for all employees be maintained.

The Council discussed the decision to increase the PERS reserve contribution.

5. COUNCIL BRIEFINGS/ COMMUNICATION

Councilor Collette shared with the Council her meeting with Oregon Zoo Foundation (OZF) board members. She reported that they had a good discussion about shared values and roles and touched on the structure of the relationship between Metro, the Zoo and OZF. Councilor Harrington questioned whether the new Zoo director will also serve as the executive director of OZF, like in the past.

President Bragdon confirmed with Mr. Jordan that there is press interest in the Zoo audit that will be released Thursday.

Councilor Burkholder shared with the Council the success of the four Climate Prosperity working groups held over the past two weeks. Erin Flynn, from the Portland Development Commission, has asked regional partners to direct their efforts regarding climate change to the climate prosperity strategy.

Councilor Collette discussed the electric vehicle rollout event she attended on November 9, 2009. Industry staff discussed data needs with elected officials in attendance.

Councilor Harrington briefed the Council on the Core 4 meeting that was also held on November 9, 2009.

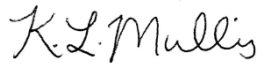
Councilor Park discussed the RTP issues Mayor Adams brought up at MPAC and suggested that we make sure regional partners collectively understand the movement of the RTP.

Councilor Bragdon asked the Council if they would sign a letter endorsing the climate change language passed by the U.S. Senate committee.

Councilor Liberty made reference to the investment strategy to help meet the 2040 plan and suggested the Council receive an update from Andy Shaw and Maria Ellis on this issue.

With no further business, President Bragdon adjourned the work session at 4:40 pm

Prepared by,



Kayla Mullis
Council Policy Associate

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF
NOVEMBER 10, 2009**

Item	Topic	Doc. Date	Document Description	Doc. Number
1	Agenda	11/12/09	Agenda: Metro Council regular meeting, November 12, 2009	111009cw-1
2	Handout	11/10/09	Metro Management Report At-a-Glance: 1 st Quarter FY 09-10	111009cw-2
3	Chart	11/10/09	Metro Management Report: 1 st Quarter–FY 2009-2010	111009cw-3
4	Report	N/A	2009-10 First Quarter Report, July through September 2009	111009cw-4
5	Handout	11/3/09	Financial Assumptions for FY 2010-11 Budget, Summary of Significant Assumptions	111009cw-5