

## MINUTES OF THE METRO COUNCIL REGULAR MEETING

Wednesday, April 9, 2003  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Brian Newman, Carl Hosticka, Rod Park, Rod Monroe, Rex Burkholder

Councilors Absent:

Council President Bragdon convened the Metro Council Regular Meeting at 1:xx p.m.

1. **Ordinance No 03-1001**, For the Purpose of Adopting the Annual Budget for Fiscal Year 2003-04, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency.

Council President Bragdon gave an overview of the proceedings for the budget meetings. All departments had been asked to prepare a response to 10 general questions.

The following departments will present their proposed departmental budgets: Metro Attorney, Business Services, Finance, MERC, Oregon Zoo, Parks and Greenspaces, Solid Waste and Recycling, and Planning (a copy which is found in the meeting record).

Dan Cooper, Metro Attorney, presented his budget. The budget that had been submitted reflected two FTE eliminated in the Open Spaces program – one attorney and one paralegal, the lobbyist contract had been reduced and one FTE had been eliminated in the Records Archive program. He explained the effects of the loss of one attorney. The loss of the paralegal should not have any impact. The elimination of the staff person in the archive department will primarily impact the council office. The Office of the Attorney will continue to manage the records retention schedule.

Councilor McLain asked about the materials and services in the archive portion of the budget. Mr. Cooper clarified the materials and services portion of the budget. Councilor McLain spoke to the elimination of the archive position. Mr. Cooper responded to her question about record retention. Councilor McLain asked about how the record keeping would be managed in the other departments as well as some of the suggestions the State made concerning records and retention. Councilor Newman asked about the duties of the archivist and who was the one point person to ensure Metro carried out its record obligations. Mark Williams, Chief Operating Officer, responded that it was ultimately the Chief Operating Officer to make sure the duties were carried out and designate such as person. Councilor Newman asked under the proposed structure, how would this be handled? Roy Soards, Business Service Director, said the three heaviest archiving departments were Council, Solid Waste and Accounting. Councilor Newman expressed concern about the one person who was accountable for archive oversight. Mr. Soards said he recommended to Mr. Cooper the establishment of a committee to make sure we were in compliance. TRIM was commonly used other jurisdictions, the City Recorders were responsible for imputing the data. Council President Bragdon expressed concern about how the archiving would be managed. Mr. Soards said he had spoken to several city recorders concerning the archiving issue and upkeep of the TRIM system. Councilor Park summarized the needs of the record management program. Mr. Williams said currently the agency has over 2 FTE to archiving as well as a part time FTE in finance. We don't need to assign an FTE to take care of the function. It was a question of assignment and function. Councilor McLain said there was 2.5 FTE that the agency had assigned to archiving. Who was going to be imputing the documents? Mr.

Williams said filing a document was fairly simplistic. Council President Bragdon said the question was who did it. Mr. Williams said the Council Operations Manager would be performing that function.

Councilor Hosticka asked how we know from year to year what we were spending and how do we compare these expenditures from year to year particularly in the contracting area. He asked how much was spent on personal services contracts. It made it difficult to address how much it cost to operate an area. Mr. Williams spoke to budget law and how the budget was prepared. Casey Short, Chief Financial Officer, responded that they had a contract process. Councilor Hosticka said he felt it was relevant to many of the departmental budgets. Councilor Newman asked about three categories in material and services; other purchased services, miscellaneous expenditures and contracted professional services. Mr. Williams responded that it would vary with the department. Councilor Newman asked what was included in miscellaneous expenditures? Mr. Short responded that they try to guide departments in what miscellaneous expenditures should be. They try to get them to code appropriately instead of using that line item. Councilor Newman asked about other purchase services. Mr. Cooper responded that this category included ads and legal notices, printing, delivery services and temporary services. Councilor Burkholder asked about the spaces of those who were being laid off. Mr. Cooper said he would follow the guidance of the Business Services Director.

Andy Cotugno, Planning Director, presented his budget. He noted two handouts (response to the 10 questions and a summary document). The overall budget was about \$2 million less, which was primarily because of the light rail project. He spoke to FTE increases contingent on receipt of grants. He talked about the excise tax adjustment and the support services functions. He spoke to the increases over the past five years in the support services area and that this year it had dropped. The reduction from \$600,000 to \$190,000 was a reduction to the general fund not the planning fund. He talked about changes in resources, grants, and fund balance. Councilor Hosticka asked about overhead rate. Mr. Cotugno responded that the grant amount that was awarded was based upon the level of resources that could be provided. The way the overhead was calculated was in two steps. The actual dollar amount was based on actual expenditures. He spoke to program changes; Goal 5, Task III of Periodic Review, grant funding for the Damascus concept plan, the RTP update, completion of South Corridor, 217 and Foster Powell Corridor and the start up of the Willamette Shore Corridor. Projects that may effect other departments included the Willamette Shore Corridor and the Fish and Wildlife program. Changes in the long-range future included the effect of inflation. He spoke to program shortages. Public outreach on Fish and Wildlife would increase. He also talked about some of the grants that were being pursued.

Councilor Newman asked about Goal 5 and how many FTEs were provided for Goal 5. Mr. Cotugno said there was 6.9 FTE assigned to Goal 5 and 2.2 FTE for the Centers program. Councilor Newman asked if there had been staff dedicated to Fish and Wildlife. When we finish with Goal 5 would these FTEs be transferred to other projects? Mr. Cotugno said that was a budget decision. Out of the total 6.9 FTEs, 5 FTE could be transferred to other projects. Councilor Hosticka asked about the legal expertise in Goal 5. Mr. Cotugno said some responsibilities went to the Office of the Attorney; other responsibilities were taken on by Planning Department. Councilor Hosticka asked about an accelerated schedule for Goal 5. Mr. Cotugno said they had provided an option but it was predicated on providing the resources soon enough, in other words, a budget amendment for this year. Councilor Burkholder asked what the policy driver for prioritization behind Goal 5 versus Centers work. Mr. Cotugno said he believed the proposed budget reflects Council's policy direction.

Councilor Park asked about 2.2 FTE for Centers and what additional parts of other FTEs were covered. Mr. Cotugno talked about how much time was dedicated the Centers work. Councilor Park asked about bits and pieces out of Goal 5 FTEs. Councilor Newman said the Centers initiative were development focused. Councilor Hosticka said measuring the number of FTEs may not be reflective of the work that gets done. Council President Bragdon asked about the travel portion of the budget and why it had increased. Mr. Cotugno said he would have to review this and get back to the Council.

Sheryl Manning, General Manager of Metropolitan Exposition-Recreation Commission (MERC), presented their budget. Council President Bragdon said they had received the response to the 10 questions (a copy which may be found the meeting record). Don Trotter, MERC Commissioner, gave an overview of the budget process. Commissioners were responsible for reviewing the proposed budgets at Expo, Oregon Convention Center and Portland Center for the Performing Arts. Bryant Enge, Director of Administration, covered the budget highlights and explained the process. They had explored initiatives for new revenue and explained further those initiatives. He shared how those initiatives would increase revenues. Initiatives included parking fee increases, ATM fee increases, food and beverage fees, and other increases in fees to operate the facilities. There was a 14% improvement in resources over last year's budget. He spoke to costs that were beyond their control. He spoke to staff level reductions as well as holding materials and services costs down. Overall MERC costs will only increase about 3%. Ms. Manning said there was good news and bad news. They were now the largest convention center in the Pacific Northwest. Expo was working on improving their image. Interstate Max would be opening early. OCC expansion could impact negatively because of the economy and the war. They would be watching carefully their revenues and their expenditures. She commented on the budget process. She urged starting the budget process early.

Councilor Park asked about tracking FTEs. Were these true reductions? Mr. Enge responded yes. Councilor Monroe asked about Phase III at Expo and headquarters hotel timing. Ms. Manning responded to his questions. Mr. Williams spoke to Phase III and what might be done next year when they got the money from TriMet. Councilor McLain asked about the merit bonus pay and the cost allocation plan. Mr. Enge responded to the question about merit bonus pay, which was estimated at 7%. Councilor McLain talked about duplication of services. Could they explain how the Human Resources Director did not duplicate services? Mr. Williams said the MERC Human Resource Director handled the labor negotiations, in-house services, and the pay for performance plan. They handle these issues in-house. He explained what services Metro's HR department did for MERC. Councilor McLain asked about the Marketing position. Mr. Williams explained the POVA contract and how the marketing position interfaced. Councilor McLain spoke to increases in top management positions. Ms. Manning talked about the market study. Some of the increases had to do with the fact that there had been no increase for several years. Councilor Burkholder asked about PCPA and the drop in attendance. Ms. Manning responded to the question, it had to do partially with the shows being produced, the economy and war. Councilor Burkholder asked about other commercial acts. Ms. Manning said they were focusing on this issue and were attempting to schedule more acts.

Councilor Newman asked about the OCC Director's salary increase. Mr. Williams responded to the question, it had to do with the compensation study results. Councilor Newman asked about the compensation study. Mr. Williams spoke to the compensation study process and the impact on recruiting nationally. Councilor Newman suggested taking a look at all of the components in compensation. Ms. Manning said that compensation study made up for several years of no increases.

Tony Vecchio, Zoo Director, highlighted the high points of his budget. The Zoo had seen a dramatic decrease in fund balance. Much of it was planned. They had created a balanced budget looking at both decreasing expenditures and increasing revenues. Council President Bragdon asked about page 189 in volume 2 having to do with contracted professional services and the special events. Mr. Vecchio explained the contracted professional services for special events such as Zoo lights. They used volunteers as much as possible. Council President Bragdon asked about revenue generation at the gift shop. Terry Dressler, Manager of Guest Services, talked about the redeployed positions in the gift shop. Councilor Burkholder asked about continuing education and AZA membership for employees. Mr. Vecchio spoke to the benefits of AZA membership. They looked at continuing education as a benefit. Councilor Burkholder asked if the Zoo had participated in a classification compensation study. Mr. Vecchio said they were participating in the current study. Councilor Hosticka asked about the proposed fee increase, had they approved this fee increase? He asked about authorization. Kathy Rutkowski, Budget Coordinator, said budget law allowed them to budget for reasonably expected revenues even if they had not yet been approved.

Roy Soards, Business Services Director, gave an overview of his budget. He spoke to the short history of the department and what divisions the department included. He talked about the goals of the department. The budget came in at 3.66% less than last year. He highlighted that risk management had increases. There were reduced costs in Information Technology including 2 FTE and capital costs, in the Human Resources area they were maintaining service and making less use of consultants. He spoke to the compensation plan. The building services budget was down from last year. When it came to resources they knew that they wanted to lower the overhead as much as possible. He believed they would continue to maintain the services that were expected. He spoke to the increases in employee health benefits. Costs were going up. It would mean a significant out of pocket increase for employees. The only unresolved issue was the risk management budget. Councilor Burkholder asked about parking fees and were we maximizing this revenue. He recommended eliminating validation for people who came to Metro meetings. He made further suggestions for increasing parking revenue. Mr. Soards said it costs them \$18,000 to subsidize parking. Increases in parking rates were based on the market. Councilor Newman asked about personal services and the pay for the director as well as the two division directors. Mr. Soards explained that he was new where the other two positions had people in them that had been at Metro for some time. Councilor Newman asked about contracted professional services and other purchased services. Mr. Soards said that some of the money was for People soft training. The other part was defined as a generic compensation study. Councilor Newman asked about the compensation study and the contracted professional services. He expressed concern about these areas. Mr. Soards said they were on the same page, he explained the decreases. Their goal was to make better use of the staff they had and reduce the need for contracted professional services. Councilor McLain asked about the unappropriated balance. Mr. Soards said it was probably related to the building management fund and would get back to her on that question. Ms. Rutkowski responded that these were related to debt service requirements. Councilor McLain asked about the source of the fund. Ms. Rutkowski responded that it was dedicated to debt service. Councilor Burkholder asked about organization and forming the new business support group. Did some of the Creative Services work belong in the Business Services Department? Mr. Soards explained that he agreed with the suggestion but the idea behind it was managing the message. Councilor Newman asked about the number of managers to represented employees in his department. Mr. Soards said he would get back to him on this. Councilor Park asked about bonds for Metro Regional Center. Mr. Casey said the bonds had been refunded once. They were looking at this again for September.

Jim Desmond, Parks and Greenspaces Director, said this was a very different budget than in past years. They were presenting a balanced budget. He spoke to efficiencies and costs. They were overall reducing their budget by 10%. He gave specifics on FTE increases. They were combining staff at Oxbow and Blue Lake, which reduced FTE by 2. He spoke to the goals of combining the staff. They had created a structure that encouraged flexibility. They saw no loss of service and in fact hoped to have better service to the public. They would also be recommending a fee increase for park access. He spoke to the planning and education areas. They were taking a regional approach. He talked about the master plan for Cooper Mountain. He spoke to property management and looked to securing grants towards those efforts. The wrap up of the acquisition area included a reduction of 5 FTE. Councilor Monroe asked about the \$1 per ton. Their hope was to find a permanent revenue source for parks. He asked about extending the sunset date on the \$1 per ton. Mr. Desmond responded that it would be helpful in terms of planning. Councilor Monroe said he strongly supported the Council's collective wisdom in finding funding but felt it would be prudent to extending the sunset date. Council President Bragdon asked if the budget incorporated the \$1 per ton. Mr. Desmond said yes. Councilor Newman asked about analysis of additional acquisitions. Mr. Desmond said that would be in-house and they would not need to adjust their budget for that work. Councilor Newman said he hoped there was some thought given to a referral.

Councilor Burkholder asked about classification of gardener and last week's public testimony. Mr. Desmond said the current classification was for non-represented. Councilor Burkholder was trying to understand the testimony. Council President Bragdon asked how they approached the question of contingency and how did they approaching renewal and replacement. Jeff Tucker, Parks Department, responded to the contingency and renewal and replacement issues. Mr. Tucker said they were currently identifying their assets. They had some planning for renewal and replacement. They have not had a lot of money to do renewal and replacement but they had allocated some, about a third of what was really needed. Mr. Desmond said they had not had proper reserves, but the department was addressing this, this year.

Casey Short, Chief Financial Officer, gave a short overview of the Finance budget. Councilor Burkholder asked about People soft training. Where were we in terms of modules? This was a request for information. He then asked about worker's compensation. He noted an increase. Mr. Soards responded that he would have to review this. His understanding was that it had not gone up but it may be the way it was being reported. He spoke to the modules for People soft that we have currently implemented. The system does work. It was his belief that we can get a lot more out of the system. There were additional modules that could be bought. They had held off on buying additional modules to ensure that the modules we currently had were working effectively before additional ones were purchased. Mr. Short added that the money in the budget was dedicated to the upgrades. The problem they had was they didn't have enough people who understood it because they hadn't gotten the proper training. Councilor McLain asked about the building fund reserves. Mr. Short responded to her question.

Councilor Hosticka asked about making amendments. Was everything open for amendment? Mr. Short explained Council approved the schedule of appropriations. This said how much you can spend and where. He explained what went to TSCC. The Council approved by resolution the budget to go to TSCC. Council could amend the revenue, the expenditures and the narrative. Councilor Hosticka summarized what the Council could amend. Council President Bragdon suggested having budget notes explained. Mr. Short said he wasn't sure if they were legally binding. Councilor McLain explained how the budget notes have worked in the past. Mr. Short explained what the approval of the budget meant.

Mike Hoglund, Solid Waste & Recycling Director, and Doug Anderson, Finance Manager, reviewed their budget. He spoke to long-range issues. He focused on reductions in the budget, which included \$1.6 million in savings, most came out of the operations of their facilities. He detailed some of those cuts, efficiencies and cost reductions, disposal subsidy elimination, end use market studies elimination, and a cut to ENACT. He spoke to increases in the budget. The net FTE was -.025. He spoke to the adjustment in the budget and the benefits. He noted their core mission. He talked about the regional system fee (a copy of his overview is included in the meeting record). Councilor McLain asked about regulatory affairs inspector addition. Mr. Hoglund responded to her question. Council President Bragdon said he was proposing to add an inspector but the position was called a planner. Councilor McLain asked about the waste reduction program, the competitive grants and the elimination of the thrift credits. Mr. Anderson responded that they had eliminated the thrift credit program and detailed who received the credits previously. Councilor McLain suggested a more thorough review of the thrift credit program. Councilor Monroe asked about scaling back the system credit. How were they going to do this administratively? Mr. Anderson said no options had been formally decided, the discussion had been to reduce the credits per ton. Councilor Monroe suggested looking at the thresholds. He wanted to give our clients a higher incentive for recycling. He felt there was need for further discussion on this whole program and the planned phase out.

Councilor Hosticka agreed with Councilor Monroe's comments. He asked about which programs required action. Mr. Hoglund said some had been developed through a resolution or an ordinance. Mr. Anderson responded that there were two in ordinances, regional system fee credits and the thrift fee credits. Councilor Hosticka asked about the business effort reduction. Mr. Anderson explained the program. Councilor Newman summarized Councilor Hosticka comments. Mr. Williams said if the Council indicated that they were going to take action on any budget area that required a change in Code, staff would prepare the appropriate legislation. Councilor Newman asked about specific briefings. Councilor Burkholder said it would be helpful to know what kinds of materials were being recovered. Councilor Hosticka said it was good to have information but it was also good to have people affected by the programs come and testify.

Council President Bragdon said they would be having public hearings and encourage stakeholders to provide input.

Councilor McLain asked about the marketing program for recycling. She wanted more information as to why this was being decreased. Had they completed the task?

Mr. Short talked about next week's budget meetings. Councilors requests from staff needed to be funneled through the Chief Operating Officer. The deadline for Councilor amendments was April 18<sup>th</sup>. Councilor McLain said she thought there was confusion on what was a recommendation or what was an analysis. Mr. Short said he would provide whatever information Councilors' needed. He said the remaining next week's agenda would include review of the Council, Public Affairs and Auditor budgets. He suggested talking about the special appropriations. Council President Bragdon spoke to what issues had been raised, archiving functions, People soft issues, administrative means of a phase out for a recycling credit, and an inventory of solid waste program established by code. Substantive amendments would be considered on April 29<sup>th</sup>, technical amendments would be April 24<sup>th</sup>.

## **2. COUNCILOR COMMUNICATION**

There were none.

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

Prepared by

Chris Billington

Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 9, 2003**

ITEM #	TOPIC	DOC DATE	DOCUMENT DESCRIPTION	DOC. NUMBER
1	PROPOSED BUDGET	2003-04	TO: METRO COUNCIL FROM: FINANCE DEPT. RE: PROPOSED BUDGET 2003-04	040903C-01
1	SUMMARY	4/3/03	TO: METRO COUNCIL FROM: METRO DEPARTMENTS RE: PROPOSED FY 03-04 BUDGET PRESENTATION SUMMARY	040903C-02
1	CUT PACKAGE SUMMARY	4/8/03	TO: METRO COUNCIL FROM: SOLID WASTE & RECYCLING DEPT. RE: SUMMARY COUNCIL PRESIDENT'S CUT PACKAGE	040903C-03
1	PROPOSED BUDGET	4/9/03	TO: METRO COUNCIL FROM: SOLID WASTE & RECYCLING DEPT. RE: SOLID WASTE & RECYCLING DEPARTMENT OUTLINE OF PROPOSED FY 03-04 BUDGET	040903C-04