



METRO COUNCIL MEETING

Meeting Summary

May 3, 2012

Metro, Council Chamber

Councilors Present: Council President Tom Hughes and Councilors Rex Burkholder, Barbara Roberts, Carl Hosticka, Kathryn Harrington, Carlotta Collette and Shirley Craddick

Councilors Excused: None

Council President Tom Hughes convened the regular council meeting at 2:03 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Art Lewellan, 3205 SE 8th Ave., Apt. 9, Portland: Mr. Lewellan addressed the Council on the Columbia River Crossing (CRC) project; specifically the Concept #1 design for the Hayden Island interchange. He discussed differences in safety of a bridge designed with one versus two decks as it relates to light rail. He also addressed potential damage should the region experience a large magnitude earthquake.

3. METRO AUDITOR REPORT – “METRO’S NATURAL AREAS: MAINTENANCE STRATEGY NEEDED”

Metro Auditor Suzanne Flynn, with assistance from Mr. Michael Anderson and Mr. Brian Evens, provided a presentation on the Office of the Metro Auditor’s recent report on Metro’s natural areas. The purpose of the audit was to determine the strength of Metro’s program to maintain the land the agency has acquired over the last 15 years. The audit provided an in-depth study of three of Metro’s new nature parks: Cooper Mountain, Graham Oaks, and Mount Talbert, as well as a general overview of the program as a whole.

Ms. Flynn quickly overviewed the audit’s key findings and recommended that Metro complete a set of actions in order to strengthen the agency’s land management program. Highlights presented included:

- Develop an overarching strategy for the program to manage the land (e.g. site specific plans and maintenance standard);
- Strengthen the program’s organization – specifically clarify the program’s roles and responsibilities for internal and external stakeholders;
- Develop systems to better track expenditures and estimate future cost; and
- Improvement management of intergovernmental agreements.

Ms. Flynn indicated that a follow-up audit would be scheduled in one to two years. (The full audit is included as part of the meeting record.)

Mr. Jim Desmond of Metro thanked the Auditor for her report and provided management's response to the audit. Mr. Desmond provided a brief history of Metro as a land owner over the past two decades and emphasized that the strategy for managing the land has evolved as Metro's portfolio has continued to grow. He stated that every property acquired to date is in better condition than when originally acquired. Mr. Desmond stated that while staff has erred on the side of on-the-ground actions rather than programmatic planning, a need for stable long-term funding and a consistent management approach is clear. He briefly highlighted actions the agency has taken over the past few years including creating a framework for restoration and maintenance planning, cost projections and tracking and an adaptive management style that allows for flexibility as information and conditions change. Additionally, staff has developed a tool to track the status, restoration plans and costs of Metro's natural areas, and developed planning templates that will guide future on-the-ground actions and investments. (Full management response included as part of the meeting record.)

Council thanked the Auditor and her staff for their report. Councilors welcomed the report, stating that the audit was pertinent, timely and served as a call to action to begin the next phase of the program. Discussion included:

- The importance of cross-departmental coordination;
- The voters' generosity and vision that led to the approval of the first bond measure;
- How the Auditor's recommendations fit within Metro's current financial status, and the agency's ability to follow through on the recommendations (e.g. bond funding for acquisition not maintenance); and
- The importance of testing and refining the system used to prioritize areas for maintenance, and the need to provide staff with sufficient resources to complete the review.

Additionally, councilors clarified which reports were used in development of the audit. Councilors recommended the Auditor's Office review the Canemah Bluff Plan, Parks Portfolio, Regional Conservation Strategy developed by The Intertwine.

4. CONSIDERATION OF THE MINUTES FOR APRIL 26, 2012

Motion:	Councilor Barbara Roberts moved to approve the minutes for April 26, 2012.
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Vote:	Council President Hughes and Councilors Burkholder, Roberts, Hosticka, Collette, Harrington and Craddick voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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5. PROCLAMATIONS

5.1 **Resolution No. 12-4348**, For the Purpose of Proclaiming the Week of May 5 through May 13, 2012 as National Travel and Tourism Week.

Motion:	Councilor Shirley Craddick moved to approve Resolution No. 12-4348.
Second:	Councilor Carlotta Collette seconded the motion.

Councilor Craddick introduced Resolution No. 12-4348, which if approved, would proclaim the week of May 5 to May 13th as National Travel and Tourism Week. Councilor Craddick stated that in addition to the 29,000 jobs, the Portland metro region accounted for \$3.8 billion in travel spending, tax receipts, employment and payroll in 2011. Councilor Craddick emphasized that the Metro venues – including the Oregon Zoo, Expo Center, and Portland Center for Performing Arts – provide a diverse range in cultural and educational activities and experiences, and memorable gathering places for celebrations and business events. In 2011, the Metro venues hosted 3.3 million visitors and that the events and activities at the venues generated \$19.1 million in tax revenues.

Councilor Craddick welcomed Mr. Jeff Miller, President and Chief Executive Officer of Travel Portland, and Mr. Steve Jung of General Manager of the Embassy Suites Portland Downtown and Chair of Travel Portland Board of Directors, to share a few words about the importance of tourism in the region. Mr. Jung discussed not only the jobs created by the tourism industry, but the opportunities created that enable the hotel industry to contribute to the overall community. Mr. Miller thanked the Council for their work and continued partnership.

Council discussion included the FY 11-12 third quarter report from the tourism industry, monies generated by tourism dollars that benefit the local communities, and the importance of including tourism as a component of greater Portland area Metro Export Initiative.

Vote:

Council President Hughes and Councilors Burkholder, Roberts, Hosticka, Collette, Harrington and Craddick voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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6. **ORDINANCES – SECOND READING**

6.1 **Ordinance No. 12-1274**, For the Purpose of Adopting the Annual Budget for Fiscal Year FY 2012-13, Making Appropriations, Levying Ad Valorem Taxes, and Authorizing an Interfund Loan.

Council President Hughes passed the gavel to Deputy Council President Rex Burkholder to chair the meeting while he carried the legislation.

Motion:	Council President Hughes moved to approve Ordinance No. 12-1274.
Second:	Councilor Carl Hosticka seconded the motion.

Ms. Martha Bennett clarified the budget process and overviewed the three primary steps:

- On April 19th the Budget Officer, Martha Bennett, proposed the FY 12-13 budget to the Metro Council;
- The May 3rd action before the Council – serving as Metro’s Budget Committee – was review and approve the FY 12-13 budget to be transmitted to the Multnomah County Tax Supervising and Conservation Commission; and
- Formal Council consideration and vote to adopt the budget is anticipated for June 14th.

Deputy Council President Burkholder opened a public hearing on Ordinance No. 12-1274. Seeing no citizens who wished to testify, the public hearing was closed.

Action:	Council consideration and vote on Ordinance No. 12-1274 was continued to June 14, 2012.
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7. RESOLUTIONS

7.1 **Resolution No. 12-4338**, For the Purpose of Approving the FY 2012-13 Budget, Setting Property Tax Levies and Transmitting the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

Motion:	Council President Hughes moved to approve Resolution No. 12-4338.
Second:	Councilor Hosticka seconded the motion.

Council President Hughes introduced Resolution No. 12-4338 and stated that the resolution served as the interim step between the initial proposal of the budget and final adoption of the budget anticipated for June 14. Council President Hughes asked the full Council for their support to approve the FY 12-13 budget for the purpose of transmitting it to the Multnomah County Tax Supervising and Conservation Commission (TSCC) and to set the maximum tax levies for the FY 12-13. The TSCC will perform a thorough review of Metro’s budget, ensure that the budget complies with the requirements of Oregon Budget Law, and certify Metro’s tax levies for FY 12-13.

He emphasized that setting the tax levy is the most significant action of the approval cycle and that once the maximum rate is set it cannot be increased, only decreased. Metro’s tax levy is comprised of two parts: (1) the operating rate level for funding general operations, and (2) the need to pay debt service on outstanding general obligation issues for the OCC, Zoo and Natural Areas. He indicated that the debt level for the Zoo and Natural Areas are estimates and actual rates will not be certain until the bonds are sold. Staff is hopeful that the rates will be less, and if so, will request that the Council reduce the levy rate to match the actual debt service schedules of the new debt issues when the full budget is adopted. Staff will then complete the cycle, filing the tax levies and all required documentation with the TSCC and three counties within the deadlines required by law.

Highlighted next steps included:

- The TSCC will hold a public hearing on Metro’s budget on June 7, 2012.
- As stated above, the budget ordinance – Ordinance No. 12-1274 – has been continued to June 14th at which time the Council will hold an additional public hearing and consider any amendments to the budget.
- Council is anticipated to formally consider and vote on the budget on June 21st.

AMENDMENT #1:

Motion:	Councilor Kathryn Harrington moved to add a note to the FY 12-13 budget that read, “Before budget adoption Council will review and approve the program and spending plan for the Community Investment Initiative.”
Second:	Councilor Craddick seconded the motion.

Discussion: Councilor Harrington introduced the amendment. She stated that she had two outstanding concerns: the first was within to the Council Office budget related to travel and the second concern was related a program allocation for the Community Investment Initiative. The objective of the amendment was to ensure that as part of the adopted FY 12-13 budget Council would receive and understand the spending and program plans for the

Initiative. Councilor Harrington thanked staff for their information to date but believed there was still work to be completed. She reiterated the need to provide program clarity in the final adopted budget.

Council clarified that the budget note, if approved, would be added to the current approved budget for transmittal to the TSCC but not included in the adopted budget because it would be satisfied in advance of the Council's June action.

Vote: Council President Hughes and Councilors Burkholder, Roberts, Hosticka, Collette, Harrington and Craddick voted in support of the motion. The vote was 7 ayes, the motion passed.

Deputy Council President Burkholder passed the gavel to Council President Hughes while he proposed the following amendments.

AMENDMENT #2:

Motion:	Councilor Rex Burkholder moved to add a note to the FY 12-13 budget that read, "Funds identified in the Council budget for the Council Opportunity account and the one-time future expenditure account may not be committed or spent until a project plan and/or formal spending plan for these funds, or any part thereof, are submitted and approved by Council. The Council will evaluate the project plans and/or formal spending plan based on criteria developed by the Chief Operating Officer in conjunction with the Council, which criteria shall measure the strategic use of the funds and similar factors."
Second:	Councilor Harrington seconded the motion.

Discussion: Councilor Burkholder introduced the amendment. Citing budget constraints and limited flexible funds, Council Burkholder was in favor of establishing a process for the Council to actively engage with the COO to develop criteria and outcomes for the use of funds from the *One Time Future Expenditure* and *Council Opportunity* accounts. He believed that while the proposed projects were all worthy causes, the funding allocations were examined and proposed by management not the Council. He was supportive of having a Council discussion of the resources/funds available and the potential opportunities and/or needs, and then collectively make a judgment on spending.

Some councilors presented concern that the budget note was not presented prior to the meeting and may have unintended consequences; specifically that, if approved, the process may restrict the Council's ability to maintain flexibility with the accounts. Councilors also stated that the process proposed through the budget note was completed as part of the budget retreat earlier in 2012 including a prioritization discussion about which programs to fund. In contrast, Councilor Harrington supported the motion stating that the note helped to memorialize concepts of having criteria and a holistic view without reducing flexibility. While there has been an ad hoc process, Councilor Harrington was supportive of a more formalized process for the Council.

General discussion included the process changes between the FY 12-13 process and previous budget cycles, the budget process and inclusion of budget notes, and the difference in the *One Time Future Expenditure* and *Council Opportunity* accounts.

Council agreed to postpone this discussion in order to refine the language and fully develop the process prior to Council consideration of the FY 12-13 budget in June. Councilor Burkholder withdrew his motion.

AMENDMENT #3:

Motion:	Councilor Rex Burkholder moved to add a note to the FY 12-13 budget that read, "Funds identified in the Council budget as the general travel line item are appropriated but may not be spent without review and approval by the Council. The Council will evaluate the proposed uses of such funds based on criteria developed by the Chief Operating Officer in conjunction with the Council, which criteria shall measure the urgency, value to Metro and/or region, and similar factors."
Second:	Councilor Harrington seconded the motion.

Discussion: Councilor Burkholder introduced the amendment. Similar to the previous amendment, Council Burkholder was in support of developing a review and approval process for travel, as well as having a Council discussion about the return on investment of travel before agreeing to allocate funds. He was specifically interested in a discussion focused on what the Council intends to spend the funds on and what the Council hopes to achieved.

Councilor Harrington supported the motion, stating that the budget note addressed her second area of concern. She agreed that the proposed budget includes a significant allocation for travel during a time of tough budget choices and was supportive of developing a workable process. Council asked clarifying questions of the motion – specifically if the intent of the motion was to adopt a general policy or to review and vote on each travel request. Some councilors expressed that, unlike previous years, the current councilors are respectful and appreciative of each other’s contributions and were in favor of developing general policy objectives versus evaluating individual travel requests. Additional discussion included the tight timeframe of the FY 12-13 budget.

Council agreed to postpone this discussion in order to refine the language and fully develop for consideration of the FY 12-13 budget. Councilor Burkholder withdrew his motion.

Motion:	Councilor Hosticka moved to move the consideration of the Amendment #2 & Amendment #3 to a time certain of June 14, 2012.
Second:	Councilor Harrington seconded the motion.

Vote:	Council President Hughes and Councilors Burkholder, Roberts, Hosticka, Collette, Harrington and Craddick voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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Council President Hughes passed the gavel back to Deputy Council President Burkholder for the vote on Resolution No. 12-4338.

Vote:

Council President Hughes and Councilors Burkholder, Roberts, Hosticka, Collette, Harrington and Craddick voted in support of the motion. The vote was 7 ayes, the motion passed.

Deputy Council President Burkholder passed the gavel back to Council President Hughes to chair the remainder of the meeting.

8. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett provided the following updates:

- The May 10 Metro Council meeting has been canceled due to a conflict with the Land Conservation and Development Commission's hearing on the Urban Growth Management Decision.
- Ms. Bennett will reconvene the city and county managers meeting the week of May 7th.
- The Community Investment Initiative's Leadership Council will begin briefing local mayors and interest groups about the LC's recommendations.

Ms. Alison Kean Campbell of Metro provided a brief update on the state's ethics policy – specifically in regards an authorization form for a the recent Greater Portland, Inc. *Best Practices* trip to Cleveland, Ohio.

Council President Hughes read the authorization form, which if approved by the Council, states that the *Best Practices* trip was a sanctioned official Metro trip and the listed public officials were officially representing Metro.

Vote:

Council President Hughes and Councilors Burkholder, Roberts, Collette, Harrington and Craddick voted in support of the motion. (Councilor Hosticka was excused.) The vote was 6 ayes, the motion passed.

9. COUNCILOR COMMUNICATION

Councilor communication included an update on nature education and a status update on local outdoor school programs.

10. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 3:45 p.m. The Council will reconvene the next regular council meeting on Thursday, May 17 at 2 p.m. at the Metro Council Chamber.



Kelsey Newell, Regional Engagement Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MAY 3, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
4.	Minutes	4/26/12	Council minutes for April 26, 2012	50312c-01
6.1	Handout	4/17/12	FY 12-13 Proposed Budget by the Numbers	50312c-02
6.1	Handout	5/3/12	Proposed Budget Note by Councilor Kathryn Harrington	50312c-03
6.1	Handout	5/3/12	Proposed Budget Note by Councilor Rex Burkholder	50312c-04