



METRO COUNCIL MEETING

Meeting Summary

June 21, 2012

Metro, Council Chamber

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

Councilors Excused: Councilor Carlotta Collette

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

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. FINANCIAL CONDITION OF METRO: FY 2001-02 TO FY 2010-11 AUDIT

Metro Auditor Ms. Suzanne Flynn provided a presentation on a recent audit of the financial condition of Metro for FY 2001-02 to FY 2010-11. The audit provided a check-up on Metro's financial standing based on a set of financial indicators recommended by the International City/County Management Association. Ms. Flynn stated that in an attempt improve the overall quality of information the audit also contained expenditure information for each Metro department. She stated that the majority of the information found in the audit was derived from the Comprehensive Annual Financial Report (CAFR) produced by the Metro's Finance and Regulator Services. The audit and Ms. Flynn's presentation focused on the audit's scope and methodology and the agency's revenues, expenditures, spending by department, financial health, and broader demographic and economic trends. (Full presentation included as part of the meeting record.)

Ms. Margo Norton of Metro provided a brief management response. Ms. Norton thanked the Auditor for her report and stated that the report was helpful. She indicated that the audit's results did align with Metro's five-year planning threshold and that Metro can expect to see the effects of decisions from FY 2008 - 2014 in the next two 10-year cycles.

Council discussed the Oregon Convention Center expansion and depreciation, how the value of Metro's land holdings is determined, the audit's adjustments for inflation and population increases, and staff's revenue shortfall estimates.

4. CONSENT AGENDA

Motion:	Councilor Shirley Craddick moved to adopt the consent agenda: <ul style="list-style-type: none">• Consideration of the Minutes for June 14, 2012• Resolution No. 12-4355, For the Purpose of Authorizing the Chief Operating Officer to Enter into a Lease with City of Portland Parks and Recreation and World Forestry Center for the West Parking Lot in Washington Park.
Second:	Councilor Barbara Roberts seconded the motion.

Vote:	Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick and Harrington voted in support of the motion. The vote was 6 ayes, the motion <u>passed</u> .
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5. HEARING ON ENFORCEMENT OF TITLE 13 OF METRO URBAN GROWTH MANAGEMENT FUNCTIN PLAN – CITY OF TROUTDALE

Council President Hughes stated that the hearing was a continuation of a proceeding the Council commenced on April 12, 2012 to consider possible action to ensure the City of Troutdale came into compliance with Metro’s Title 13 regarding Nature in Neighborhoods. The Council agreed to continue the hearing in April after learning the city was considering revisions to its program.

Councilor Craddick stated that since April she and Metro staff have worked with Troutdale Council President Doug Daoust, and Councilors Norm Thomas and Glenn White to craft city code language that meets Title 13 requirements. The code amendments, approved by the City Council on June 12, satisfy Title 13 in multiple ways:

- It provides clearer standards that provide certainty to developers for the mitigation steps they must take when developing in areas with sensitive fish and wildlife habitat.
- It places the same protection and mitigation standards on publicly owned land as on private lands.
- It creates a special planning district for the city’s urban renewal site, the master plan for which must come back to Metro for review.

Councilor Craddick stated that the city’s leaders have adopted measures that keep with the local values and regional goals, and will ensure that Troutdale has adequate protections for sensitive wildlife habitat and water quality while enabling development to occur.

Motion:	Councilor Shirley Craddick moved for an order that dismisses the Council’s previous enforcement action.
Second:	Councilor Kathryn Harrington seconded the motion.

Metro staff Brian Harper stated that Metro and Troutdale staff have worked together since 2009 to bring the city into compliance with Title 13. He confirmed that the City adopted a set of code

revisions on June 12, 2012 that satisfy Title 13 and recommended the Metro Council support the motion to dismiss the enforcement action.

Council President Hughes opened a public hearing on Resolution No. 12-4344:

- Jim Kight, City of Troutdale: Mayor Kight stated that Metro and the City have worked together to come to a great compromise that protects private property rights while also meeting the requirements of Title 13. He thanked both city and Metro staff for their work.
- Norm Thomas, City of Troutdale: Councilor Thomas thanked the Metro Council and stated that the outcome is a solution that can be used by all. He expressed the City Council's thanks and appreciated for the collaborative approach.

Seeing no additional citizens who wished to testify, Council President Hughes closed the public hearing.

Council thanked the Mayor and City Council for their work and stated that this was a good outcome for the City, Metro and the region as a whole as Title 13 is a statewide goal. Members emphasized Troutdale's beauty and stated that it was clear the city's elected officials value their citizens, property, and the environment.

Vote:

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

6. ORDINANCES - SECOND READING

6.1 **Ordinance No. 12- 1279**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-2016 Capital Improvement Plan.

Motion:	Councilor Rex Burkholder moved to approve Ordinance No. 12-1279.
Second:	Councilor Roberts seconded the motion.

Councilor Burkholder introduced Ordinance No. 12-1279. The ordinance, if adopted, would approve three budget amendments for the current FY 11-12 budget and Capital Improvement Plan:

- *Metropolitan Exposition Recreation Commission Food and Beverage*: MERC venues have experienced greater food and beverage sales in the current fiscal year than originally anticipated. He stated that the budget requires an update for the changes in revenue and costs. Staff requested a transfer of contingency funds to material and services to provide for the needed increase in food and beverage expense.
- *Council Chamber Audio System Upgrade*: The Council Chamber's audio visual system was upgraded to comply with FCC standards and requirements outlined with the Americans with Disabilities Act for the hearing impaired. The total cost of the project increased from \$60,000 to \$96,127 due to additional necessary components. If approved, under spent FY 11-12 funds from a position vacancy would be transferred to the general fund to cover the additional cost of the system. The system is used by the Metro Council as well as committees such as the Metro Policy Advisory Committee.

- *Front Plaza Planter Project:* The amendment, if approved, would amend the CIP to increase the project from \$90,000 to \$126,000. The planters have a history of leaks; if unchecked the planters could threaten the integrity of the Metro building. Councilor Burkholder stated the plant material from the current boxes would be recycled.

Council President Hughes opened a public hearing. Seeing no citizens who wished to testify, the public hearing was closed.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick and Harrington voted in support of the motion. The vote was 6 ayes, the motion passed.

6.2 **Ordinance No. 12- 1280**, For the Purpose of Amending and Re-Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year 2012-2013.

Motion:	Councilor Carl Hosticka moved to approve Ordinance No. 12-1280.
Second:	Councilor Kathryn Harrington seconded the motion.

Councilor Hosticka introduced Ordinance No. 12-1280. Councilor Hosticka stated that Metro, like many governments, has an uneven flow between incoming revenues and outgoing expenditures and as a result at any given time the agency has cash on hand to be invested. He stated that state law requires that each year the budget is adopted, the policy that specifies how funds are to be invested must also be readopted. Metro Code includes a list of eligible investments including local government securities and state securities for the state of Oregon. It was recently noticed and approved that in addition to the approved list of Oregon securities, Metro could invest in securities of the states and local governments of Washington, Idaho and California. Councilor Hosticka noted that Metro can only invest in local Oregon governments with an "A" or better rating and only an "AA" or better for out of state governments. If approved, the technical amendment would provide the agency more options for investing funds.

Council President Hughes opened a public hearing. Seeing no citizens who wished to testify, the public hearing was closed.

Council asked clarifying questions regarding Washington, Idaho and California specifications.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick and Harrington voted in support of the motion. The vote was 6 ayes, the motion passed.

6.3 **Ordinance No. 12- 1274A**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-2016 Capital Improvement Plan.

Council President Hughes passed the gavel to Deputy Council President Burkholder while he carried the following three pieces of legislation.

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

Council President Hughes stated that approval of Ordinance No. 12-1274A would be the final action in the process of adoption of Metro's financial plan for FY 2012-2013. In April 2012 Ms. Martha Bennett presented the Council – acting as Metro's Budget Committee – with a proposed budget for FY 12-13. Council President Hughes highlighted the Council's work completed over the past few months including work sessions, public hearings, and a meeting and public hearing with the Tax Supervising and Conservation Commission. In addition, the Council proposed and adopted budget notes and medications from June 14 were incorporated into the ordinance's "A" version. He stated that if approved the FY 12-13 – effective July 1 – would total approximately \$535 million with 740.5 FTE positions. The permanent tax levy for operations would be 9.66 cents per thousand dollars of assessed value and the general obligation debt levy set at \$40,557, 224. He thanked Metro staff for their work.

Deputy Council President Burkholder opened a public hearing. Seeing no citizens who wished to testify, the public hearing was closed.

Councilors stated that the FY 12-13 budget was a culmination of months of work by the Council and staff. Members thanked Ms. Bennett and staff for their work and emphasized that FY 12-13 budget does a good job directing resources to support the region's goals and objectives.

Vote:

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

7. **RESOLUTIONS**

7.1 **Resolution No. 12-4352**, For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2012-13 through 2016-17; and Readopting Metro's Financial Policies. Council President Hughes confirmed that the following motion was carried over from the May 24 Council meeting.

Motion:	Council President Hughes moved to approve Resolution No. 12-4352.
Second:	Councilor Harrington seconded the motion.

Council President Hughes introduced Resolution No. 12-4352. The resolution if adopted would approve Metro's five-year Capital Improvement Plan and the agency's financial policies including the capital asset management policies. Council President Hughes stated that each year Metro prepares the five-year CIP to accomplish:

- Identification of future capital needs, both new and replacement;
- Consideration of financial capacity to undertake these projects;
- Measurement of the impact on operating costs of the proposed projects;
- Approval to proceed with specific projects and budgetary allocation for the upcoming year; and
- Opportunity to plan for and assemble funding for longer term projects.

He highlighted examples of completed projects for FY 11-12 such as the Oregon Zoo's penguin filtration system and the Solid Waste Information System scheduled to launch on July 1.

The FY 12-13 CIP, if approved, would include 114 projects with an anticipated spending of \$187 million during the five-year period. Of that estimated total, \$144 million will come from Oregon Zoo

and natural areas bond funds and the balance from renewal and replacement funds. In addition to the CIP, the resolution if approved would adopt the financial policies for the agency. Council President Hughes stated that the financial policies are the principles by which Metro staff plan, budget and manage the agency's funds in a transparent, accountable and smart way and that the policies are important in securing "AAA" bond ratings. He stated that no changes to the financial policies are currently recommended.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick and Harrington voted in support of the motion. The vote was 6 ayes, the motion passed.

7.2 **Resolution No. 12-4353**, For the Purpose of Accepting the May 15, 2012 Primary Election Abstract of Votes for Metro and Finding the Candidates Qualified.

Motion:	Council President Hughes moved to approve Resolution No. 12-4353.
Second:	Councilor Roberts seconded the motion.

Council President Hughes introduced Resolution No. 12-4353 which if approved would accept the May 15 primary election abstract of votes for Metro and find that the candidates Mr. Craig Dirksen, Mr. Sam Chase, and Mr. Bob Stacey qualify for Metro Districts 3, 5 and 6 respectively. Oregon Election Law requires that the Multnomah County Elections Division deliver to Metro the Official Certified Results of the election, and the Canvass of the Official Abstract of Votes. Upon receipt of the results, the law requires Metro to make a Determination of Qualification and Accept the Official Results. Pending the Council's action, the County Elections Division will be allowed to issue certificates of election to the winners. Additionally, according to the Metro Charter "if one candidate for a Metro office receives a majority of the votes cast at the primary election for all candidates for that office, that candidate is elected." All three councilor terms will be for four years commencing on the 1st Monday of January 2013, and ending on the 1st Monday of January 2017.

Council requested that the staff report to the resolution be corrected to include Metro's District 3, which was inadvertently left out. Members discussed the outgoing councilors' historical expertise and also expressed confidence in qualifications of the incoming councilor-elects.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick and Harrington voted in support of the motion. The vote was 6 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 commented on the FY 12-13 budget process and stated that this cycle was the most effective budget process for her to date. She thanked Council and staff for their work. Additional updates included the recent Community Investment Initiative Leadership Council retreat and release of the draft CII Strategic Plan.

9. COUNCILOR COMMUNICATION

There were none.

10. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 3:35 p.m. The Council will reconvene the next regular council meeting on Thursday, July 12 at 2 p.m. at the Metro Council Chamber.



Kelsey Newell, Regional Engagement Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 21, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
	Agenda	6/20/12	Revised June 21 council agenda	62112c-01
3.0	PowerPoint	N/A	Financial Condition of Metro – FY 2001-02 to FY 2010-11	62112c-02
4.1	Minutes	6/14/12	Council minutes for June 14	62112c-03
4.2	Legislation	N/A	Resolution No. 12-4355, exhibit and staff report	62112c-04
5.0	Letter	6/21/12	To: Metro From: Craig Ward RE: City of Troutdale Compliance with Metro Urban Growth Management Functional Plan, Title 13 – Nature in Neighborhoods	62112c-05