



Metro | Agenda

Meeting: Metro Council
Date: Thursday, Dec. 13, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. AUDITOR'S OFFICE REPORT: SPAN OF CONTROL

Flynn

4. RECOMMENDED SLATE OF AWARDS FOR 2013 METRO CENTRAL STATION COMMUNITY ENHANCEMENT PROGRAM GRANT CYCLE

5. CONSENT AGENDA

5.1 Consideration of the Minutes for Dec. 6 2012

5.2 **Resolution No. 12-4395**, For the Purpose of Confirming the Appointment of
Members to the Oregon Zoo Bond Citizens' Oversight Committee.

6. RESOLUTIONS

6.1 **Resolution No. 12-4397**, For the Purpose of Authorizing the Chief Operating
Officer to Purchase Certain Property Subject to an Unusual Circumstance in the
Tualatin River Greenway Target Area with 2006 Natural Areas Bond Measure
Proceeds.

Hosticka

7. CHIEF OPERATING OFFICER COMMUNICATION

8. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for Dec. 13, 2012 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, Dec. 13</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, Dec. 16, 7:30 p.m. <i>Date:</i> Monday, Dec. 17, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, Dec. 17, 2 p.m.</p>	<p>Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, Dec. 15, 11 p.m. <i>Date:</i> Sunday, Dec. 16, 11 p.m. <i>Date:</i> Tuesday, Dec. 18, 6 a.m. <i>Date:</i> Wednesday, Dec. 19, 4 p.m.</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).

Agenda Item No. 3.0

Auditor's Office Report: Span of Control

Metro Council Meeting
Thursday, Dec. 13, 2012
Metro, Council Chamber



Span of Control:
Evaluate organizational structure to control costs

November 2012
A Report by the Office of the Auditor

Suzanne Flynn
Metro Auditor

Brian Evans
Senior Management Auditor



Knighton Award for Auditing

Metro Audit Awarded ALGA Gold Award

An audit released in 2011 entitled “*Large Contract Administration*” received the Gold Award for Small Shops by ALGA (Association of Local Government Auditors). Auditors were presented with the award at the ALGA conference in Tempe, Arizona in May. Knighton Award winners are selected each year by a judging panel, with awards presented at the annual conference. This award brings the total to ten awards received for the office.

Metro Ethics Line

The Metro Ethics Line gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metropolitan Exposition Recreation Commission (MERC) facility or department.

The ethics line is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

To make a report, choose either of the following methods:

Dial 888-299-5460 (toll free in the U.S. and Canada)

File an online report at www.metroethicsline.org



SUZANNE FLYNN

Metro Auditor

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MEMORANDUM

November 29, 2012

To: Tom Hughes, Council President
Shirley Craddick, Councilor, District 1
Carlotta Collette, Councilor, District 2
Carl Hosticka, Councilor, District 3
Kathryn Harrington, Councilor, District 4
Rex Burkholder, Councilor, District 5
Barbara Roberts, Councilor, District 6

From: Suzanne Flynn, Metro Auditor 

Re: Span of Control: Evaluate organizational structure to control costs

The attached report covers our audit of Metro's organizational structure. This audit was included in our FY2012-13 Audit Schedule.

We conducted this audit to determine the Sustainable Metro Initiative's impact on the ratio of employees per manager and the number of layers of management. We also reviewed personnel expenditures for the last 10 years. We found that Metro followed best practices for reorganizations, but could benefit from regular review of its span of control. We also determined that regular review of Metro's organizational structure could assist in controlling personnel costs.

We have discussed our findings and recommendations with Martha Bennett, COO; Scott Robinson, Deputy COO; Teri Dresler, General Manager, Visitor Venues; and Mary Rowe, Director, Human Resources. My office will schedule a formal follow-up to this audit within 1-2 years. We would like to acknowledge and thank the management and staff in the Human Resources Department who assisted us in completing this audit.

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Summary

In 2008, Metro began an organizational improvement initiative to realign its structure, enhance training opportunities and standardize practices agency-wide. This audit focused on the organizational structure component of the initiative. During the audit, we also reviewed personnel expenditures over the last 10 years and compared Metro's organizational change efforts to best practices.

There are two commonly used measures to evaluate the effectiveness and efficiency of an organization's structure. Collectively, they are known as the span of control. The first measure is the number of employees that report to each manager or supervisor. The second measure is the number of layers of management between the top and the bottom of the organizational chart. Management experts state that increasing the number of employees reporting to a manager and decreasing the layers of management can improve communication and employee morale and reduce costs.

We found that the reorganization did not significantly impact the span of control. The ratio of employees per manager increased slightly, a positive trend. However, the number of layers of management also increased, which could be interpreted as a negative trend.

Inflation adjusted personnel service expenditures increased by 24% between FY 2001-02 and FY 2010-11. In recent years, the growth has slowed. Based on the trend over the last 10 years, Metro's ability to control personnel expenditures in the future will rest mostly on managing costs for full-time salaried staff.

We believe there is an opportunity to use span of control analysis to identify areas where Metro's structure could be made more efficient and effective. Increasing the organization's ratio of employees per manager and/or reducing the layers of management could help control personnel service expenditures.

In regards to the organizational change effort, we found that Metro followed all six elements of successful change initiatives. Examples included clarifying roles among departments, involving employees to elicit ideas and involving the Metro Council to implement needed legislative changes. We recommend more work be done in the area of communication.

Background

In May 2008, Metro began an organizational improvement plan called the Sustainable Metro Initiative (reorganization). The overarching goal of the reorganization was to transform Metro into a modern “mission-driven organization equipped to fulfill our promise as the world leader in regional conservation and civic innovation.” The plan sought to achieve this goal by making changes in three areas:

- staff training,
- management practices, and
- organizational structure.

In the four years since the plan was announced, Metro made changes in each of the three areas. Changes included new training opportunities for employees, standardization of policies and procedures, improved information and accounting processes to increase communication among departments, and organizational changes to provide more clarity about department missions and goals. Another reorganization took place about a year after the Sustainable Metro Initiative was first implemented. We included those changes in our analysis.

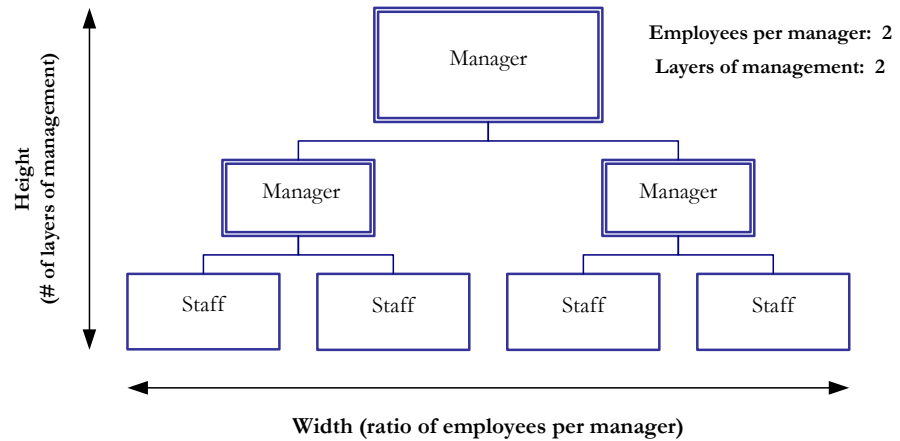
Five of Metro’s departments were significantly restructured as a result of the reorganization:

- The Planning Department was split in two. This created a new department, the Research Center, and the renamed Planning and Development Department.
- The Solid Waste and Recycling Department was split into three parts. One part became the Sustainability Center, one part joined Finance and Regulatory Services, and the third part joined Parks and Environmental Services.
- The Regional Parks and Greenspaces Department became Parks and Environmental Services. Some employees also joined the Sustainability Center.
- The Finance and Administrative Services Department became Finance and Regulatory Services.
- Employees in the Metropolitan Exposition and Recreation Commission Administrative Office joined Human Resources, Information Services and Finance and Regulatory Services.

One of the issues identified in the reorganization was inconsistency in span of control. There are two commonly used measures to evaluate the effectiveness and efficiency of an organization’s structure. Collectively, they are known as the span of control. The first measure is the number of employees that report to each manager or supervisor. The ratio of employees per manager refers to the width of an organization’s structure. “Wide” organizations have more employees reporting to each manager, while “narrow” organizations have fewer employees reporting to each manager.

The second measure is the number of layers of management between the top and bottom of the organizational chart. The number of layers of management describes the height of an organization's structure. "Flat" organizations have few layers of management between the Chief Executive and the lowest level employee, while "tall" organizations have more layers of management.

Exhibit 1
Span of control example



Source: Metro Auditor's Office

In general, more employees per manager (wide) and fewer layers of management (flat) are recommended by management experts. This organizational structure is thought to be better aligned with positions where less oversight is needed. Among the benefits cited for wide and flat organizations are:

- improved communication and decision making,
- increased employee morale and motivation, and
- lower labor and administrative costs.

Scope and methodology

The purpose of the audit was to determine what changes occurred in Metro's span of control from 2008 to 2012. There were three objectives:

1. Determine if Metro's span of control changed from 2008 to 2012.
2. Determine how personnel expenditures changed over the last 10 years.
3. Determine if Metro followed best practices for managing reorganizations and managing personnel service costs.

To meet our objectives, we reviewed audits from other jurisdictions, conducted a literature review, interviewed key management and staff at Metro, and reviewed span of control analysis completed by the Human Resources Department. We created organizational charts, analyzed data about span of control, and completed analysis of personnel expenditures over the last 10 years.

Our span of control analysis was based on snapshots of Metro's organizational structure for the payroll period ending July 15, 2008 and June 30, 2012. The reorganized structure was implemented on October 1, 2008. While the original intent of the audit was to focus on the changes resulting from the Sustainable Metro Initiative, we discovered that other organizational improvement initiatives also took place between 2008 and 2012. The most significant of these was a change in the governance structure of the Metropolitan Exposition and Recreation Commission (MERC). This made the Metro Council the governing body of MERC, which brought the MERC General Manager under the Chief Operating Officer of Metro. It also consolidated MERC's administrative services into Metro's other departments. We included those changes in our analysis.

The analysis included all Metro departments, except the Office of the Metro Attorney, the Office of the Metro Auditor and the Oregon Zoo. The Metro Attorney and Metro Auditor do not report to Metro's Chief Operating Officer, so their organizational structures were not comparable to the other departments. In addition, they were not included in the reorganization. The Oregon Zoo was excluded because there was missing data that prevented us from being able to identify reporting relationships for temporary employees at the Zoo in 2008. We did analyze span of control data for the Zoo, but it only included regular employees, which made comparisons with other departments inappropriate.

All employee types (regular and temporary employees) were included. Our methodology for span of control analysis was based on the total count of employees who reported to each manager. Our definition of management included all managers and supervisors who had employees directly reporting to them in Metro's Human Resource Information System. We also included as managers those positions that listed management responsibilities over other employees in the required duties of their classification descriptions. Some of these managers did not supervise employees. Throughout the report, "manager" is used to refer to both supervisors and managers, regardless of whether they had employees reporting to them. We did not include vacant positions in our analysis.

Analysis of personnel service expenditure trends included two sets of data. One data set included expenditures by account type (financial data) over the 10-year period from FY 2001-02 to FY 2010-11. This provided information about broad categories of personnel service expenditures such as employee types (e.g., regular full-time, regular part-time, temporary) and fringe benefits (e.g., health care and retirement).

The second data set analyzed the distribution of personnel service expenditures between employee groups (human resource data). The data provided snapshots of expenditures taken for the pay period ending June 30 of 2003, 2007 and 2011. This provided information on the distribution of expenditures among three groups of employees: managers, non-management union employees, and non-management non-union employees.

This audit was included in the FY 2011-12 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results

The Sustainable Metro Initiative (reorganization) slightly increased the ratio of employees per manager, which was a positive trend. However, it also increased the number of layers of management, a negative trend. While the changes improved Metro's previous organizational structure, the reorganization did not significantly impact the span of control across the agency.

Expenditures for personnel services grew in nine of the ten years we reviewed. Recent changes slowed rising personnel costs. Nevertheless, in FY 2010-11, Metro's workforce was 10% bigger than 10 years ago, but personnel costs were 24% higher after adjusting for inflation.

There is an opportunity to use span of control analysis to identify areas where Metro's structure could be made more efficient and effective. Over the next several years Metro is expected to have a shortfall in each of its primary operating funds. These three funds account for 97% of Metro's workforce. Increasing the organization's ratio of employees per manager and/or reducing the layers of management could help control personnel service expenditures.

Reorganization did not significantly impact span of control

When the modern theory of span of control was developed, management experts sought to determine the optimal span of control. They hoped to use the optimal span of control as a target for developing or reforming an organization's structure. Today, the idea of an optimal span of control has fallen out of favor. Experts now stress the need for flexibility. They advocate for spans of control that take into account the complexity of work, degree of coordination required, and geographic location of subordinates among other considerations. Because Metro focused on improving consistency, the reorganization did not align with best practices for using span of control as a management tool.

We found it challenging to reach conclusions about "consistency" without more specific information about the desired outcomes. Different conclusions could be drawn about the reorganization depending on what level of the organization was evaluated and what measure was used.

Overall, Metro's span of control changed very little between 2008 and 2012. The agency-wide ratio increased from an average of 6.2 employees per manager in 2008 to 6.4 employees per manager in 2012. This was a positive trend that made the organization slightly wider. Conversely, agency-wide layers of management increased between 2008 and 2012. The average number of layers of management at Metro was 3.9 in 2008, but rose to 4.4 in 2012. This was a negative trend that made the organization slightly taller.

Exhibit 2
Agency-wide span of control change

Measure	2008	2012	Net Change	% Change
Managers	144	126	-18	-12.5%
Non-managers	743	686	-57	-7.7%
Total	887	812	-75	-8.5%

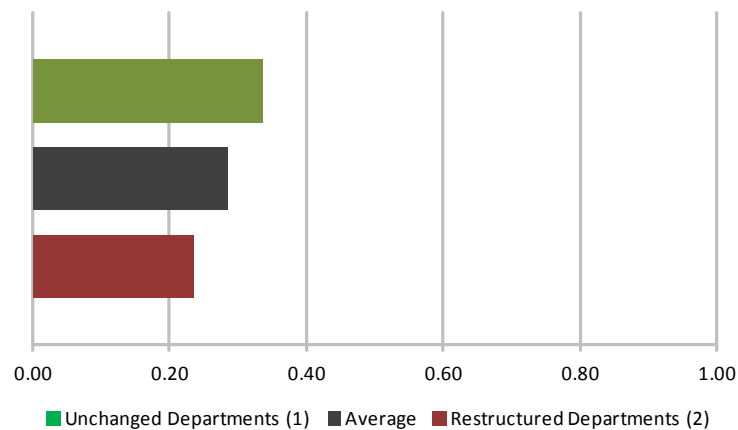
Employees per manager	6.2	6.4	0.28	4.6%
Layers of management	3.9	4.4	0.52	13.5%

Source: Metro Auditor's Office based on data in PeopleSoft, Human Resources Information System. Does not include Oregon Zoo, Office of the Metro Attorney and Office of the Metro Auditor.

When we looked at span of control measures for each department, the results were also mixed. The ratio of employees to managers increased in about half the departments, but the number of layers of management also increased. Direct department to department comparisons were possible for the seven departments that were not significantly restructured. The ratios for three of these departments increased and four decreased. The average number of employees per manager of these departments increased from 5.9 in 2008 to 6.2 in 2012.

If the reorganization impacted span of control, one would expect to see the greatest degree of change in the departments that were restructured. However, this was not the case. We compared the five departments that were restructured during the reorganization by analyzing them as a group for both 2008 and 2012. The overall span of control for these departments increased slightly to 6.7 in 2012 compared to 6.5 in 2008. This was less than the change experienced in the departments that were not restructured.

Exhibit 3
Change in the ratio of employees per manager 2008 to 2012

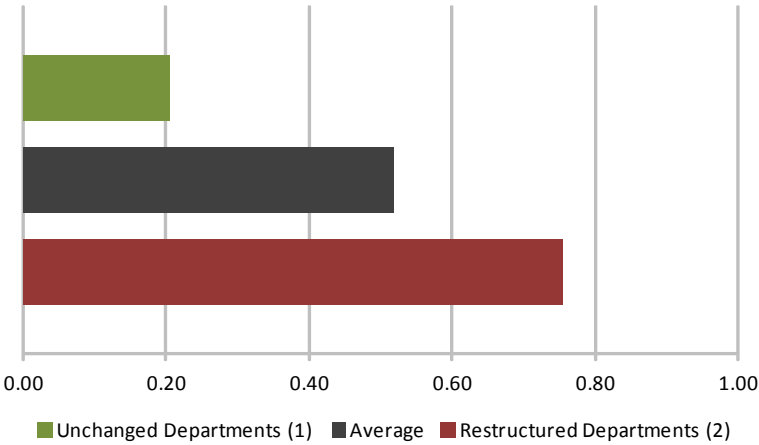


Source: Metro Auditor's Office based on data in PeopleSoft, Human Resources Information System.
 1) Includes: Human Resources, Council Office, Information Services, Communications, Portland Center for the Performing Arts, Oregon Convention Center and Exposition Center.
 2) Includes: Planning and Development, Research Center, Finance and Regulatory Services, Sustainability Center, and Parks and Environmental Services.

The number of layers of management increased for the majority of departments between 2008 and 2012. This was mostly caused by the creation of two upper level management positions just below the Chief Operating Officer (COO). One of the positions was the Deputy Chief Operating Officer. This increased the layers of management for several of Metro’s departments that began reporting to the Deputy COO in October 2008.

The other was the General Manager of Visitor Venues position, which was created after the consolidation of Metro’s governance structure in 2009. At that time, responsibilities for operations of the Metropolitan Exposition and Recreation Commission (MERC) changed from reporting to the MERC Commission to reporting to the Metro Council. As a result, the General Manager position became a deputy level position reporting to the COO. Four Metro departments now report to the General Manager (Portland Center for the Performing Arts, Oregon Convention Center, Exposition Center and Oregon Zoo).

Exhibit 4
Change in layers of management
2008 to 2012



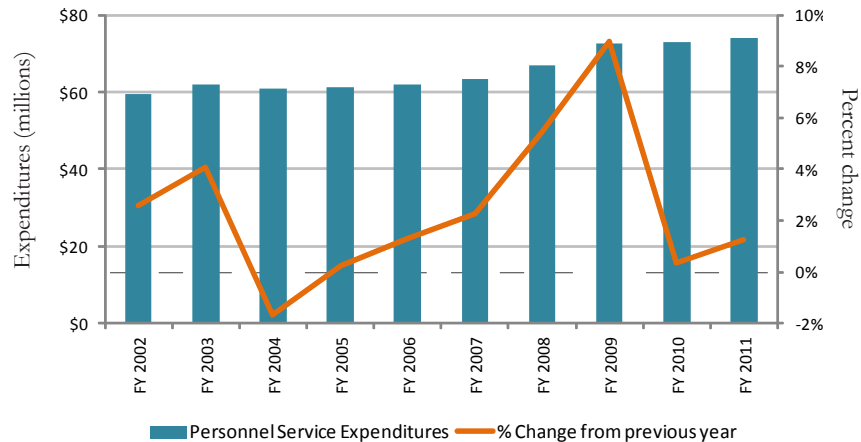
Source: Metro Auditor’s Office based on data in PeopleSoft, Human Resources Information System.
 1) Includes: Human Resources, Council Office, Information Services, Communications, Portland Center for the Performing Arts, Oregon Convention Center and Exposition Center.
 2) Includes: Planning and Development, Research Center, Finance and Regulatory Services, Sustainability Center, and Parks and Environmental Services.

Analysis of each manager showed the same trends. There was a greater frequency of managers with 5-10 employees in 2012 (36%) compared to 2008 (30%). This was a positive trend, according to management literature. Conversely, there was a larger concentration of employees with four or more layers of management between them and the COO in 2012 (79%) than in 2008 (63%). This was a negative trend, according to the literature, that could increase costs while reducing communication and employee morale.

Personnel service expenditures increased

Overall, inflation adjusted personnel service expenditures increased by 24% between FY 2001-02 and FY 2010-11. During that period, Metro's workforce grew by 10%. Expenditure growth slowed considerably in recent years due primarily to reduced expenditures for overtime and part-time, temporary and seasonal employees.

Exhibit 5
Expenditures and growth trends for personnel services FY 2001-02 to FY 2010-11



Source: Metro Auditor's Office based on data in PeopleSoft, Human Resources Information System.

The large percentage decrease in FY 2003-04 was the result of a voluntary separation program Metro implemented to reduce the size of its workforce. Part of the reason expenditures increased in FY 2008-09 was because some managers were moved into policy advisor positions. This increased expenditures because those who moved maintained their same compensation levels, while other managers were promoted to fill the vacancies that were left.

Another cause of increasing expenditures was changes in the composition of the workforce. The percentage of managers and non-management union employees in the workforce increased, while the percentage of non-management non-union employees in the workforce decreased. The average expenditure for management and non-management union employees was higher than non-management non-union employees. The percentage of expenditures for each employee group reinforces this conclusion.

Exhibit 6
Distribution of labor force and expenditures by employee group

Percent of Total FTE	2003	2007	2011
Managers	15%	16%	16%
Non-managers (union)	56%	60%	62%
Non-managers (non-union)	28%	24%	21%
Percent of Total Expenditure			
Managers	27%	29%	26%
Non-managers (union)	53%	55%	58%
Non-managers (non-union)	19%	16%	15%

Source: Metro Auditor's Office based on a snapshot of data taken from PeopleSoft, Human Resource Information System, for the payroll period ending June 30 of each year.

For the 10-year period from FY 2001-02 through FY 2010-11, two categories accounted for 77% of the increase in personnel service expenditures.

- Regular, full-time, exempt (salaried) employees accounted for 58% of the increase, and
- Fringe benefits, including health care and retirement, accounted for 19%.

Based on trends over the last 10 years, Metro's ability to control personnel service expenditures in the future will rest mostly on managing costs for full-time salaried staff. We believe Metro should focus on the size and distribution of its workforce because this is the category of expenditures for which it has the greatest control. The size of the workforce also directly affects expenditures for fringe benefits.

Another reason to focus on the size of the workforce is because Metro already made changes to address rising fringe benefit costs. Employees now contribute more for health care benefits and new employees contribute more for retirement benefits. This should help contain some of the cost increases in the future. Moreover, fringe benefits, while rising faster than some other categories, remained relatively stable at about 25% of total personnel expenditures over the last 10 years.

Beyond the changes that Metro already made, it has relatively little control over health care and retirement costs. Metro employees are part of the Public Employee Retirement System (PERS), which is administered by the State of Oregon. Revised employer contributions rates were recently announced by the PERS Board, which will increase Metro's expenditures in this category by at least 54% starting in FY 2013-14. Metro had some control over health care costs. It picked what providers it used and what benefits to offer on an annual basis, but in general health care costs were more difficult to control than the size of the workforce.

Use span of control analysis to help address forecasted funding gap

Over the next several years, Metro has estimated a shortfall in each of its primary operating funds. These three funds account for 97% of Metro's workforce. The combined shortfall in the General and MERC funds is forecasted to grow to about \$7 million in FY 2015-16. Based on our analysis of span of control and trends in personnel service expenditures, we believe there is an opportunity to use span of control analysis as a tool to help Metro identify areas where its structure could be made more efficient and effective.

There are several ways to achieve changes in an organization's span of control. If the goal is to increase the ratio of employees to managers there are two options. One is to hire more employees and assign them to existing managers. This would likely increase personnel costs. The other option is to reduce the number of managers and reallocate their employees to other managers. This would likely reduce personnel costs.

If the goal is to decrease the number of layers of management, there are also two options. Both involve reducing management positions, which would likely reduce personnel costs. One option is to make changes at the top of the organization that impact the number of layers of management throughout the organization. The other option is to focus on specific organizational units where there are several layers of middle management. This would impact the number of layers of management in some departments but not others.

Metro has a broad range of operations that require different organizational structures. Because of this, we do not recommend a cookie cutter approach to changing the organization's span of control. In general, we believe that an analysis of the ratio of employees per manager should be the first priority. While the number of layers of management increased after the reorganization, these changes were based on sound analysis of business needs. They addressed areas of weakness in the organizational structure, and Metro's governance and enterprise operations appear to be better managed as a result.

Based on our analysis, we believe there is an opportunity to increase the number of employees that report to each manager. Some capacity appears to exist to make greater use of management positions that have few or no direct reports. There is a wide variety of business needs among these departments, so a better understanding of their operations would be needed to make specific recommendations. That level of analysis was not included in the scope of this audit.

Data to analyze span of control needs improvement

Metro's Human Resources department conducted an analysis of span of control in December 2011 that included all Metro departments. This was a good first step in making use of this tool. However, we found that the methodology overstated employee to manager ratios for some departments and there were some other errors in the calculations.

For example, the methodology used by Human Resources (HR) concluded that there were five employees per manager at the Expo Center. Applying our methodology to the same data resulted in a ratio of 2.5 employees per manager. This is because the HR methodology did not consider employees who did not have direct reports identified in Metro's PeopleSoft Human Resources Information System as managers. According to the Venue Director, these employees had direct reports. We verified that those employees' classification descriptions included duties for managing employees.

We determined that overstated ratios were caused by two factors:

1. Incorrect data in PeopleSoft, Human Resources Information System, and/or
2. Misalignment between on-the-ground operations and classification descriptions.

We recommend Human Resources address the data quality and methodological issues we identified. Consistently collecting and analyzing span of control data can help Metro manage its organizational structure and associated costs. In addition, periodically analyzing span of control data can facilitate comparisons between Metro and other organizations, as well as help monitor changes over time.

Metro followed best practices

Metro followed best practices for managing reorganizations. According to the Government Accountability Office, there are six elements of successful organizational change initiatives. Metro's reorganization addressed all six elements:

- 1) a demonstrated leadership commitment and accountability for change;
- 2) the integration of management improvement initiatives into programmatic decision-making;
- 3) thoughtful and rigorous planning to guide decisions, particularly to address human capital and information technology issues;
- 4) employee involvement to elicit ideas and build commitment and accountability;
- 5) organizational alignment to streamline operations and clarify accountability; and
- 6) strong and continuing [legislative] involvement.

Examples of Metro's success in meeting these elements included clarifying roles among the departments that were reorganized, involving employees to elicit ideas and involving Metro Council to implement needed legislative changes.


Communication is an underlying requirement of all these elements. This is an area where we believe more work could be done. The organization communicated its plans about the reorganization prior to its implementation, but has been less communicative about the results of its efforts. For example, some of the changes announced in October 2008 were implemented in FY2011-12, while other reorganizations have taken place under separate names. This created mistrust about the purpose and outcomes of the various efforts.


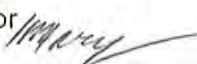
Recommendations

To help maintain an effective and efficient organizational structure and manage personnel costs, Metro should:

1. Improve the quality of human resource data to ensure span of control analysis is based on the actual structure of Metro's departments.
2. Build on previous efforts to use span of control analysis as a tool to monitor the organization's structure.
3. Increase transparency by documenting the methodology used to evaluate span of control and communicate how that information will be used in the budget process.

Management Response

 Metro | Memo

Date: November 26, 2012
To: Suzanne Flynn, Metro Auditor
From: Scott Robinson, Deputy COO 
Mary Rowe, Human Resources Director 
Subject: Response to Span of Control Audit

Thank you for the opportunity to respond to your recent audit regarding span of control. We appreciate the time and effort that you and your staff spent conducting this audit. Management agrees with your recommendations and as a public agency recognizes the importance of an on-going focus on the efficiency and effectiveness of our operations.

Of the three areas of the audit that your department studied, we appreciate that you cited Metro as having followed best practices for managing reorganizations and that you acknowledged Metro, through the negotiation process with the collective bargaining units, has made changes to address the rising cost associated with fringe benefits, in particular, health care and retirement costs. We also appreciate that the audit noted that modern theories of span of control require some degree of flexibility in order to account the complexities of work, degree of coordination required, and the geographic location of subordinates among other considerations, rather than apply a single ratio for span of control.

While span of control was not an explicit outcome that guided past reorganization efforts, Management agrees with the auditor's conclusion that Metro's future ability to control personnel costs will require a focus on the size and distribution of its workforce. To that end, the auditor's recommendations provide appropriate guidance to Metro management in moving forward and have resulted in a number of efforts already underway to fully implement the recommendations.

A more detailed statement regarding management's response to the individual recommendations made by the auditor, as well as any activities currently underway relative to the audit findings are provided below.

Response to Recommendations in the Auditor's Report

The following summarizes management's response to the specific recommendations noted in the audit report.

Recommendation #1

Improve the quality of human resource data to ensure span of control analysis is based on the actual structure of Metro's departments.

Response: Human Resources has begun working with department directors to ensure that discrepancy's noted by the auditor are reviewed and corrected as necessary to ensure the accuracy of the reporting relationships in the PeopleSoft system.

Recommendation # 2

Build on previous efforts to use span of control analysis as a tool to monitor the organization's structure.

Response: As a follow up to our initial analysis and review with department directors in 2012, Human Resources will be reissuing reports no later than December, 2012 for review and analysis by department directors. As part of our annual review, Human Resources, the Deputy COO and/or General Manager of Visitor Venues as appropriate will meet with department directors to discuss their current span of control and any areas where additional improvements can be made. This review is part of the annual budget discussion with department.

The review of the organizational structure is considered an ongoing process and the span of control documents one tool that will be used to help inform decisions on the organizational structure. As part of the annual review process, a comparison to the previous year's structure will be included.

Recommendation # 3

Increase the transparency by documenting the methodology used to evaluate the span of control and communicate how that information will be used in the budget process.

Response: A best practices document has been developed and reviewed by department directors. This documentation, along with individual meetings with directors has been conducted. A separate communication has been held with AFSCME leadership as well. We are also developing a more general communication plan to provide consistent messaging to a broader audience at Metro.

Conclusion

Again, we want to thank the auditor and her staff for this work. We appreciate the time you and your staff took in conducting the audit and the insight that it provides for continuing our process improvement efforts.

Cc: Martha Bennett, COO

Teri Dresler, General Manager of Visitor Venues



METRO

Office of the Metro Auditor
600 NE Grand Avenue
Portland, Oregon 97232
503-797-1892
www.oregonmetro.gov

Agenda Item No. 4.0

**Recommended Slate of Awards for 2013 Metro Central
Station Community Enhancement Program Grant Cycle**

Metro Council Meeting
Thursday, Dec. 13, 2012
Metro, Council Chamber

Metro Central Station Community Enhancement Program
Recommended Slate of Awards for 2013 Grant Cycle

App #	Applicant	Project Summary	Request amount	AWARD	Funding goals *	New Applicant	2012 Grantee
1	Forest Park Conservancy	Greater Forest Park Conservation Initiative: restoration and assessments	\$10,000	\$10,000	2,3,5,6	N	N
2	Friendly House, Inc.	Outdoor play structure project	\$25,750	\$15,000	1,3,4,6,7	N	Y
3	Golden Harvesters, Inc.	Equipment for new store	\$2,000	\$2,000	1,4,5,6,7	N	N
4	Lift Urban Portland	Sustaining Community Garden feeds body and soul (drip irrigation project)	\$6,280	\$3,000	1,3,5,6,7,8	N	Y
5	Lines for Life	Anti-bullying programming for Friendly House Community Center	\$10,000	\$3,000	6	Y	N
6	Linnton Community Center	Hungry Families Program (emergency food)	\$11,686	\$11,686	1,4,6,7	N	Y
7	Meals on Wheels People: Loaves and Fishes	Two Rivers Meal Center senior nutrition program	\$5,000	\$5,000	6,7	N	Y
9	Neighbors West-Northwest	Upgrade Neighbors West- Northwest office equipment (copier and computers)	\$4,300	\$4,300	1,2,3,4,5,6,7,8	N	N
11	Portland Festival Symphony	Free classical concert in Cathedral Park	\$6,000	\$6,000	3,4,6,7	N	N
12	Rebuilding Together Portland	Repair and Rehabilitation Project	\$5,500	\$5,500	1,4,6,7	N	Y
13	Sauvie Island Center	Farm to School and Back Again Project	\$7,256	\$5,000	3,6,7	N	Y
14	Store to Door	Grocery delivery service for NW seniors and people with disabilities	\$5,000	\$2,500	6,7,8	N	Y
15	Tears of Joy Theater	North Portland Community Family Festival and Parade Puppet Project	\$4,000	\$2,000	6,7,8	N	Y
16	Tsuga Community Commission	Neighborhood PLACE: Parks, Learning and Community Enhancement	\$8,436.50	\$4,000	3,5,6,7	Y	N
TOTAL FUNDS REQUESTED			\$111,208.50	\$78,986			

Please note: A project's responsiveness to funding goals as listed in this table reflects information provided by the applicant. Metro's grant program places a priority on projects or programs that best meet the criteria and benefit the area most directly affected by the Metro Central Transit Station. Projects will be considered that meet one or more of the following grant funding goals (the order of the list does not imply ranking or weighting):

- 1 = rehabilitation, upgrading or direct increase in the real and or personal property owned or operated by a nonprofit organization with Internal Revenue Code 501(c)(3) status;
- 2 = preservation or enhancement of wildlife, riparian (streamside) zones, wetlands, forest lands and marine areas; improved public awareness of these resources and opportunities to enjoy them;
- 3 = improvement to, or increase in, recreational areas and programs;
- 4 = improvement in the safety of the area;
- 5 = improvement of the appearance, cleanliness or environmental quality of the area neighborhood;
- 6 = benefits to youth and seniors;
- 7 = benefits to low-income persons;
- 8 = recycling opportunities.

Agenda Item No. 5.1

Consideration of the Minutes for Dec. 6 2012

Consent Agenda

Metro Council Meeting
Thursday, Dec. 13, 2012
Metro, Council Chamber

Agenda Item No. 5.2

Resolution No. 12-4395, For the Purpose of Confirming the
Appointment of Members to the Oregon Zoo Bond Citizens'
Oversight Committee.

Consent Agenda

Metro Council Meeting
Thursday, Dec. 13, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE) RESOLUTION NO. 12-4395
APPOINTMENT OF MEMBERS TO THE OREGON)
ZOO BOND CITIZENS' OVERSIGHT COMMITTEE) Introduced by Council President Hughes
)

WHEREAS, Metro Code Chapter 2.19 establishes the Oregon Zoo Bond Citizens' Oversight Committee whose members are to be appointed by the Metro Council President subject to confirmation by the Metro Council; and

WHEREAS, the Metro Council President has appointed four members as set forth in Exhibit "A" attached hereto; and

WHEREAS, the Metro Council desires to confirm the appointments; now, therefore,

BE IT RESOLVED, that the Metro Council confirms the appointments to the Oregon Zoo Bond Citizens' Oversight Committee as set forth in Exhibit "A" attached hereto.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Thomas Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

Biographies of Oregon Zoo Bond Citizens' Oversight Committee Members

Exhibit A to Resolution No. 12-4395

Oregon Zoo Bond Citizens' Oversight Committee

Committee Member Appointments

The following persons served an initial one-year term in 2010, followed by a two-year term 2011-2012, and shall serve a second two-year term January 1, 2013 to Dec. 31, 2014:

Deidra Krys-Rusoff	Portfolio Manager, Ferguson Wellman Capital Management Inc.
Carter MacNichol	Principal, Shiels Obletz Johnsen, Inc.
Penny Serrurier	Attorney, Stoel Rives, LLP
Bob Tackett	Executive Secretary-Treasurer, Northwest Oregon Labor Council

Member Biographies (in alphabetical last name order)

Deidra Krys-Rusoff

Deidra Krys-Rusoff is a portfolio manager and a member of the fixed income team at Ferguson Wellman Capital Management, and serves as chair of the Oregon Zoo Bond Citizens' Oversight Committee. A native of Idaho, Deidra earned her B.A. in zoology from the College of Idaho. She serves on the board of directors of the Mt. Tabor PTA, is an active member of the Columbia Willamette YMCA Childcare Volunteer Board, and on several committees at Glencoe Elementary School. She is a past board member of the Northwest Taxable Bond Club and Junior League of Portland.

Carter MacNichol

Carter MacNichol is a managing partner for local urban development and project management company, Shiels Obletz Johnsen, Inc. and a managing member for Sockeye Development LLC. He has 30 years experience in complex project management, and real estate management and development. Carter has worked as real estate director for the Port of Portland, and as a project manager for the Portland Development Commission. Early in his career, he taught sixth grade for the Oregon City School District. Carter has been active on several local boards, including The Nature Conservancy of Oregon, "I Have a Dream" Foundation, Oregon Zoo Foundation, Portland Children's Museum and Portland Community Land Trust.

Penny Serrurier

Pendleton ("Penny") Serrurier is a member of Stoel Rives LLP, practicing in the areas of tax-exempt organizations, charitable giving, estate planning and administration, business succession planning, and personal tax planning. Penny represents tax-exempt organizations and advises them on all aspects of governance, compliance and tax-related matters. She has served on several local boards and is a past chair for the Oregon Zoo Foundation board of trustees.

Bob Tackett

Bob Tackett is the Executive Secretary-Treasurer for the Northwest Oregon Labor Council, AFL-CIO. He has been active in the labor movement for more than 38 years. Bob's duties include proposing, supporting and promoting legislation favorable to the interest of workers and organized labor, and opposing legislation detrimental to the interest of working people. Bob serves on several boards, including Worksystems, Inc., a nonprofit agency that accelerates economic growth in the City of Portland and

Biographies of Oregon Zoo Bond Citizens' Oversight Committee Members

Multnomah and Washington counties by pursuing and investing resources to improve the quality of the workforce, particularly unemployed and underemployed people. Bob also serves on the board of United Way of the Columbia-Willamette.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4395, FOR THE PURPOSE OF CONFIRMING THE APPOINTMENT OF MEMBERS TO THE OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE

Date: Nov. 28, 2012

Prepared by: Craig Stroud (503) 220-2451

BACKGROUND

Metro Code Chapter 2.19 establishes the Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee"). The terms for approximately half of the Oversight Committee members expire each calendar year. To maintain Oversight Committee membership, Resolution No. 12- 4395 reappoints four members.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known
2. **Legal Antecedents:** Metro Code Chapter 2.19
3. **Anticipated Effects:** Reappoints four members.
4. **Budget Impacts:** None

RECOMMENDED ACTION

Adoption of Resolution No. 12-4395.

Agenda Item No. 6.1

Resolution No. 12-4397, For the Purpose of Authorizing the Chief Operating Officer to Purchase Certain Property Subject to an Unusual Circumstance in the Tualatin River Greenway Target Area with 2006 Natural Areas Bond Measure Proceeds.

Metro Council Meeting
Thursday, Dec. 13, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE) RESOLUTION NO. 12-4397
CHIEF OPERATING OFFICER TO)
PURCHASE CERTAIN PROPERTY SUBJECT) Introduced by Chief Operating Officer
TO AN UNUSUAL CIRCUMSTANCE IN THE) Martha J. Bennett with the concurrence of
TUALATIN RIVER GREENWAY TARGET) Council President Tom Hughes
AREA WITH 2006 NATURAL AREAS BOND)
MEASURE PROCEEDS)

WHEREAS, at the general election held on November 7, 2006, the voters of the Metro region approved Ballot Measure 26-80, authorizing Metro to issue \$227.4 million of general obligation bonds to fund natural area acquisitions and water quality protection (the “Natural Areas Program”);

WHEREAS, on March 1, 2007, the Council approved Resolution No. 07-3766A, “Authorizing the Chief Operating Officer to Purchase Property with Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan” (the “Work Plan”), authorizing the Metro Chief Operating Officer to acquire properties identified on a Council-approved target area confidential refinement map so long as the properties meet the “Acquisition Parameters” and “Due Diligence Guidelines” set forth in the Work Plan;

WHEREAS, on September 13, 2007, the Council adopted Resolution No. 07-3849, “Approving the Natural Areas Acquisition Refinement Plan for the Tualatin River Greenway Target Area” establishing the goal for the target area of providing “additional or enhanced access that will allow people to enjoy the river”;

WHEREAS, Metro staff has identified an opportunity to purchase 1.6 acres of property located along the Tualatin River and identified as a Refinement Plan Tier I objective in the Tualatin River Greenway Target Area, which property is more specifically identified as “River Road” on the attached Exhibit A (the “Property”);

WHEREAS, the Property meets the Refinement Plan Tier I objective of “enhancing the water trail by providing access point sites along the Tualatin River Greenway” and is adjacent to two existing Metro holdings currently being planned and designed as a future non-motorized public launch site;

WHEREAS, Metro entered into a purchase and sale agreement with the current owner of the Property and in accordance with the Work Plan Acquisition Parameter obtained an MAI appraisal (the “Appraisal”) of the Property, which Appraisal valued the Property at below the originally negotiated purchase price of \$220,000.00, and;

WHEREAS, the appraisal issue described above is an “unusual circumstance” under the Acquisition Parameters and Due Diligence Guidelines of the Work Plan and because the negotiated purchase price is higher than the fair market value established by the Appraisal, so Council must approve acquisition of the Property;

WHEREAS, acquisition of the Property is necessary to achieve the goals and Tier I objectives of the Tualatin River Greenway Target Area, as it will allow Metro to maximize the recreational opportunities and reduce the resource impacts of Metro’s future non-motorized launch site; and

WHEREAS, acquisition of the Property at a purchase price above the appraised value is a wise investment in light of the benefits that the Property will provide the citizens of the region; now therefore

BE IT RESOLVED that Metro Council hereby authorizes the Chief Operating Officer to acquire the Property, identified in Exhibit A, at a price no greater than \$195,000, notwithstanding the unusual circumstance related to the Appraisal of the Property, provide that the acquisition is otherwise in accord with the other Acquisition Parameters and Due Diligence Guidelines of the Natural Areas Implementation Work Plan.

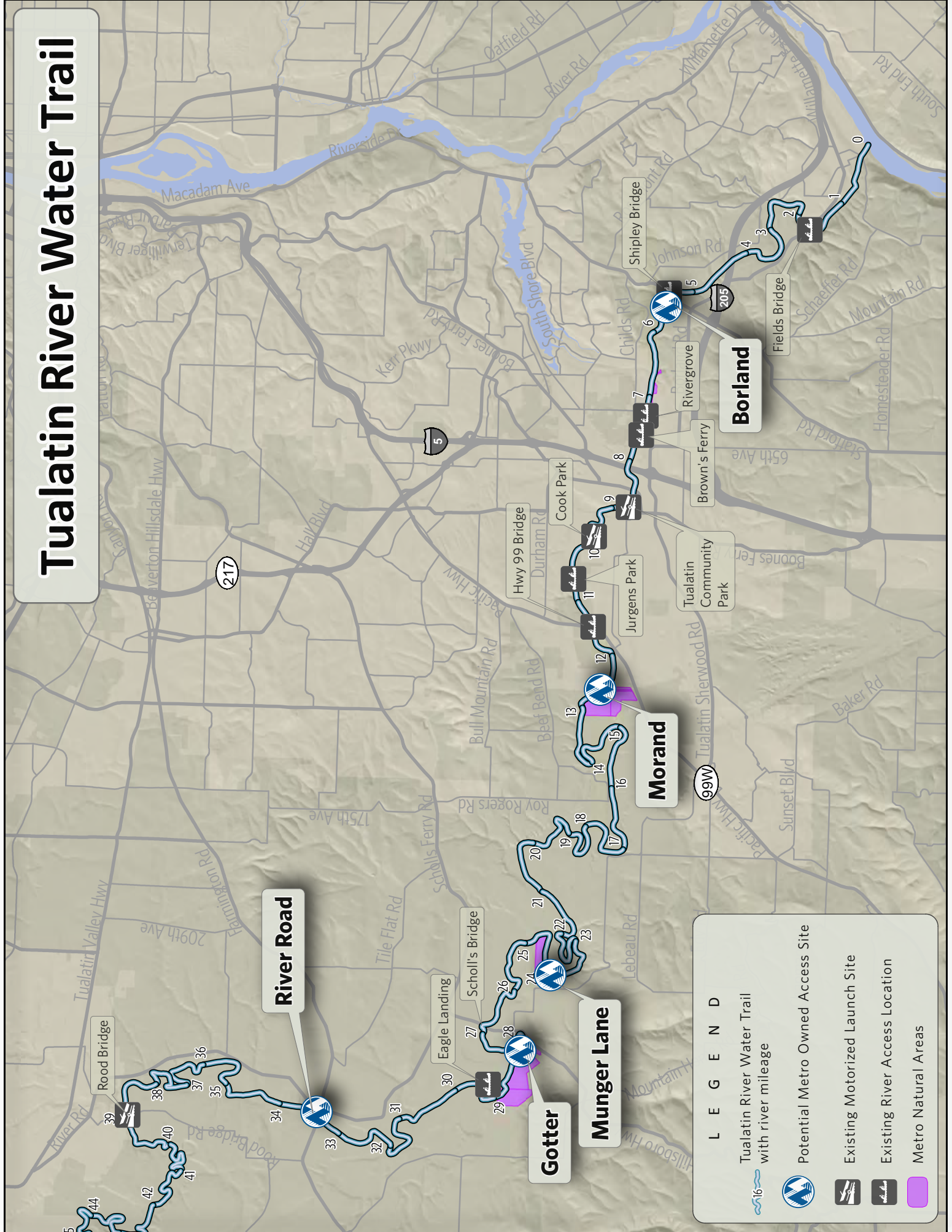
ADOPTED by the Metro Council this _____ day of December 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

Tualatin River Water Trail



L E G E N D

- Tualatin River Water Trail with river mileage
- Potential Metro Owned Access Site
- Existing Motorized Launch Site
- Existing River Access Location
- Metro Natural Areas

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12- 4397 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO PURCHASE CERTAIN PROPERTY SUBJECT TO AN UNUSUAL CIRCUMSTANCE IN THE TUALATIN RIVER GREENWAY TARGET AREA WITH 2006 NATURAL AREAS BOND MEASURE PROCEEDS

Date: December 13, 2012

Prepared by: Kathleen Brennan-Hunter
(503) 797-1948

BACKGROUND

Metro has an opportunity to acquire a parcel of land in the Tualatin River Greenway Target Area. The 1.6-acre subject parcel is more specifically identified as “River Road” in Exhibit A attached to the Resolution (the “Property”). The Property is adjacent to two parcels currently owned by Metro that were acquired in two separate transactions in March of 2000 (the “Existing River Road Holdings”). Acquisition of the Property will serve to achieve the target area goal of providing “additional or enhanced access that will allow people to enjoy the river.” Metro staff has entered into a Purchase and Sale Agreement with the owners of the Property. The purpose of this report is to describe the background and information related to the opportunity to acquire the Property despite the fact that the current terms for the acquisition fall outside the parameters of the Natural Areas Implementation Work Plan (the “Natural Areas Work Plan”), adopted by the Metro Council via Resolution 07-3766A.

Goals and Objectives of the Tualatin River Greenway Target Area

The area where the Property is located has long been a focus of a larger strategy to provide public access to the Tualatin River. The Property’s location was identified as a Tier One objective in both the 1995 Open Spaces, Parks and Streams Bond Measure (the “1995 Bond Measure”) and the 2006 Natural Areas Bond Measure (the “2006 Bond Measure”), mainly due to its inclusion in the 1992 Greenspaces Master Plan.

In the Greenspaces Master Plan, the Tualatin River Greenway Target Area was described as follows: *“The Tualatin River is typical of the slow flowing, meandering small rivers and streams that flow through the Willamette Valley floor. The relatively low slope makes it ideal for canoeing and for amateur boaters. There are few access points on the Tualatin along its course, which makes land acquisition for recreation uses more important.”*

A Tier I objective of the 1995 Bond Measure Tualatin River Access Points Refinement Plan, adopted by the Metro Council in 1996, was to “acquire a minimum of 266 acres to establish four regional access point sites along the Tualatin River Greenway that meet the following objectives:

- Locations along the river at intervals of 5 to 10 river miles, allowing for day trips and shorter trips than is now practicable.
- Safe accessibility from a public roadway that can adequately accommodate additional traffic.
- Developable for boat ramps and/or docks by reason of existing shallow slopes and banks
- Associated with sufficient uplands for such features as parking, restrooms, picnic areas, and buffering from the River and adjacent uses.”

The Tier I objectives of the 2006 Bond Measure's Tualatin River Greenway Target Area Refinement Plan are to:

- Protect natural areas adjacent to existing public lands to provide public access and improve wildlife habitat protection.
- Continue the work begun in 1995 to enhance the water trail by providing access point sites along the Tualatin River Greenway that meet the following criteria:
 - Locations along the river at intervals of 5 to 10 river miles, allowing for day trips and shorter trips than is now practicable.
 - Safe accessibility from a public roadway that can adequately accommodate additional traffic.
 - Developable for boat ramps and/or docks by presence of existing shallow slopes and banks.
 - Associated with sufficient uplands for such features as parking, restrooms, picnic areas and buffering from the river and adjacent uses.
 - Associated with key locations where there is particular interest in additional boat access/pull-outs including: south of Farmington Road, north side of the river in the vicinity of Rainbow Lane, and in the vicinity of Elsner Road

Launch Site Identification Process

Acquiring and developing additional non-motorized launch sites along the Tualatin River have been goals of Metro and its partners for over the last 20 years. The stretch of the Tualatin that was targeted for site acquisition was between Hillsboro's Rood Bridge Park (River Mile 39) and the confluence with the Willamette River (River Mile 0). Please see Exhibit A to the Resolution, which describes the locations of the Metro owned properties and current existing launch sites along the Tualatin River.

In 2011, Metro began the effort to identify the most appropriate Metro owned sites for public river access as part of a budget amendment that provided funding to begin the first phase of an effort to plan and design the Tualatin River Water Trail. The Metro Council was recently updated on its progress when it passed Ordinance 12-1291, "For the Purpose of Amending the FY 2012-2013 Budget and Appropriations Schedule to Provide Funding for Land Use Application Planning and Design Steps Needed for a Publicly Accessible Tualatin River Canoe Launch at the River Road Natural Area Location". As part of the ordinance package, Metro staff described how it had (a) analyzed the feasibility of five potential public access sites, (b) convened an advisory team, (c) conducted public outreach, (d) selected the River Road natural area site, (e) and completed engineering, topographic, wetlands, and other analyses needed to pursue Washington County approval for a land use application." These efforts resulted in the selection of a site at the intersection of SW Farmington and SW River Roads, comprised of Metro's Existing River Road Holdings, as the best choice for a future public access site. The intersection has a bridge over the river, making it accessible from several directions and enhancing the public benefit. The site has high visibility and is located along two significant arterials. Metro has started the planning and design of the River Road site and concluded that the Property is necessary for the optimal access site design. The ordinance specifically mentioned that Metro was proceeding with attempts to acquire the Property, noting that such acquisition would improve the recreational opportunities and reduce the natural resource impacts of the canoe launch site.

The Property

On August 23, 2012, a Purchase and Sale Agreement (the "Agreement") was executed between Metro and the landowner of the Property. The site includes a 1,760 s.f. residence and an approximate 3,000 sq. ft. shop area. Following the customary procedures required by the Natural Areas Work Plan, an independent MAI appraisal was ordered which ultimately concluded a value of \$130,000, significantly below the \$220,000 Agreement purchase price.

The landowner is not willing to sell the Property to Metro at its appraised value. This staff report requests authorization to acquire the Property at a purchase price of \$195,000.

Unusual Circumstance

The Work Plan authorizes the Chief Operating Officer to close real estate transactions related to the 2006 Bond Measure provided certain criteria are met. With the exception of the Appraisal Guidelines, all the criteria in the Work Plan Acquisition parameters have been or will be met before Metro acquires the Property. The Appraisal Guidelines set forth certain conditions to allow the Chief Operating Officer to approve an upward adjustment from the appraisal value to the purchase price within certain limits but since this report is requesting approval for an adjustment over the Work Plan limits this may be considered an unusual circumstance. Approval by the Metro Council is required under the Work Plan when the Chief Operating Officer encounters unusual circumstances in the course of a transaction.

The Work Plan Acquisition Parameters suggest that approval to pay a landowner more than an appraisal value should be based on the following criteria in order to conclude that such a purchase is in the public interest:

That failure to acquire the property will significantly compromise Metro’s ability to achieve the goals in the adopted Refinement Plan;

The failure to acquire the Property will compromise Metro’s ability to achieve the goals described in the Refinement Plan for the Tualatin River Greenway target area because the current Metro River Road access site, at approximately 4.5 acres, may not be large enough for a public access site. Acquisition of the Property would allow Metro to potentially develop the access road restroom on higher ground, therefore less likely to flood annually. The River Road location is the only Metro site currently under consideration for a public access site. The Property would help fulfill the Tier I objectives of the Tualatin River Greenway Target Area Refinement Plan.

Spending on this purchase will not significantly compromise Metro’s financial capability to achieve the target area’s goals;

The purchase of this Property will not compromise Metro’s ability to achieve the goals described in the Refinement Plan for the Tualatin River Greenway target area. Seventy acres have been purchased to date, and more acquisition is planned.

There are immediate and known competing offers or other market pressures that put Metro at risk of permanently losing the opportunity to purchase this parcel;

There are no known competing offers at this time. However, the fact that the landowner is currently a willing seller, may change in the future. The landowner is facing a decision whether to sell the Property to Metro or invest in improving the residence.

Whether any other parties are making financial contributions toward the purchase price.

There are no other parties making direct financial contributions toward the purchase price, but other parties may be investing in improving the river access site as a whole through grants and partnership funds.

ANALYSIS/INFORMATION

1. Known opposition

None known

2. Legal Antecedents

The voters' approved Metro's 2006 Natural Areas Bond Measure at the general election held on November 7, 2006.

Resolution No. 07-3766A "Authorizing the Chief Operating Officer to Purchase Property With Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan," was adopted by the Metro Council on March 1, 2007, and established the Acquisition Parameters and Due Diligence Guidelines for the purchase of properties as part of the 2006 Natural Areas Bond Program.

Resolution No. 07-3849, "Approving the Natural Areas Acquisition Refinement Plan for the Tualatin River Greenway Target Area," was adopted by the Metro Council on September 13, 2007.

3. Anticipated Effects

Acquisition of the Property would also allow Metro to achieve its Tier I objectives of enhancing the water trail by providing access points along the Tualatin River Greenway.


4. Budget Impacts

Metro will close on the Property for a purchase price of \$195,000 with funds from the 2006 Natural Areas bond measure.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 12-4397.

Materials following this page were distributed at the meeting.

 **Metro** | *Agenda*

REVISED, 12/10/12

Meeting: Metro Council
Date: Thursday, Dec. 13, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. AUDITOR'S OFFICE REPORT: SPAN OF CONTROL

Flynn

**4. RECOMMENDED SLATE OF AWARDS FOR 2013 METRO CENTRAL STATION
COMMUNITY ENHANCEMENT PROGRAM GRANT CYCLE**

5. CONSENT AGENDA

5.1 Consideration of the Minutes for Dec. 6 2012

5.2 **Resolution No. 12-4395**, For the Purpose of Confirming the Appointment of
Members to the Oregon Zoo Bond Citizens' Oversight Committee.

6. CHIEF OPERATING OFFICER COMMUNICATION

7. COUNCILOR COMMUNICATION

ADJOURN

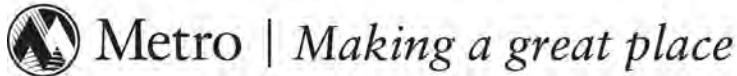
**EXECUTIVE SESSION HELD PURSUANT WITH ORS 192.660 (2) (i). TO REVIEW AND
EVALUATE THE EMPLOYMENT-RELATED PERFORMANCE OF THE CHIEF OPERATING OFFICER
OF ANY PUBLIC BODY, A PUBLIC OFFICER, EMPLOYEE OR STAFF MEMBER WHO DOES NOT
REQUEST AN OPEN HEARING.**

Television schedule for Dec. 13, 2012 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, Dec. 13</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, Dec. 16, 7:30 p.m. <i>Date:</i> Monday, Dec. 17, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, Dec. 17, 2 p.m.</p>	<p>Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, Dec. 15, 11 p.m. <i>Date:</i> Sunday, Dec. 16, 11 p.m. <i>Date:</i> Tuesday, Dec. 18, 6 a.m. <i>Date:</i> Wednesday, Dec. 19, 4 p.m.</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).



METRO COUNCIL MEETING

Meeting Summary

Dec. 6, 2012

Metro, Council Chamber

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

Councilors Excused: Councilor Carlotta Collette

Council President Tom Hughes called the meeting to order at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

David Bragdon, 343 Gold St., Brooklyn, NY: Mr. David Bragdon, former Metro Council President, thanked Councilors Carl Hosticka, Rex Burkholder and Barbara Roberts for their service on the Metro Council. He shared personal comments about each of the councilors and their accomplishments over the years.

Nancy Newell, 3917 NE Skidmore St., Portland: Ms. Newell addressed the Council on the treatment of animals, specifically the elephants, at the Oregon Zoo. Ms. Newell discussed the public's reaction to a recent article in Seattle, Washington regarding the Zoo's elephant contract with a third party. She questioned the Zoo's policies, program and the living conditions for the elephants. She stated that Zoo was not building relationships with the community and that 2008 bond supporters would come back to voice their concerns.

Courtney Scott, 2106 NE Flanders, Portland: Ms. Scott encouraged the Metro Council to move the elephants to a preserve or sanctuary. She stated that the fact that the Zoo has a contractual agreement with a company that trains animals for entertainment, specifically a company with cruel training methods, spoke volumes about the Zoo's lack of concern for the elephants. She stated that 22 zoos have closed their elephant exhibits and moved their elephants to sanctuaries. Ms. Scott addressed the potential health impacts elephants face in captivity including foot and joint problems and stress. She stated that the 2008 bond measure included money for an offsite elephant preserve; a place for the elephants to live more naturally and free. She stated that the Zoo's planned expansion is not sufficient, especially as the herd continues to grow. She recommended the Zoo consider installing a 24/7 live camera feed at the preserve. The public would make online contributions to view the elephants. (Written testimony included as part of the meeting record.)

Ninelle Jones, 7637 N. Interstate, Portland: Ms. Jones echoed Ms. Scott's comment that over 20 zoos have closed their elephant exhibits due to a variety of reasons. She was concerned that 8 elephants on one acre was not appropriate and could be considered hoarding. She stated that the voters approved the 2008 bond measure because there was a sense of urgency, however, no strides have been made to date. She stated that the proposed 6-acre expansion is still inadequate for 8 elephants. She recommended that if the money to operate the offsite preserve cannot be found, that

the \$30 million that was to initially allocated for the preserve be reallocate to send Rose-Tu and the new baby offsite. In addition, Ms. Jones addressed the location of the Zoo's elephant habitat's proximity to the light rail.

Shelley Oylean, 5428 N. Bowdoin St., Portland: Ms. Oylean was opposed to Resolution No. 12-4394. She stated that she had been a recipient of North Portland Enhancement grant funds in previous years. She stated that the funding is unique and is accessible to a variety of organizations including local neighborhoods. She believed the intent of the funding was to continue and to sustain the local community long term. She stated that it would be difficult, once the grant funds are gone, to secure a sizable seed money for future programs. Ms. Oylean understood that rates were currently low, but believed it would change long term. She stated that an additional option should be considered; that the money be disbursed after it reaches a certain amount such as \$150,000 or \$200,000. She emphasized the importance of the fund and encouraged the Council to hold the money, wait to disburse, and save on administrative costs.

3. CONSIDERATION OF THE MINUTES FOR NOV. 29, 2012

Motion:	Councilor Shirley Craddick moved to approve the minutes for Nov. 29, 2012.
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Vote:	Council President Hughes and Councilors Roberts, Hosticka, Craddick, Burkholder and Harrington voted in support of the motion. The vote was 6 ayes, the motion <u>passed</u> .
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4. RESOLUTIONS

4.1 **Resolution No. 12-4394**, For the Purpose of Revising the North Portland Enhancement Committee Policies and Authorizing the Committee to Charger Expenditures to the Fund Principle.

Motion:	Councilor Rex Burkholder moved to approve Resolution No. 12-4394.
Second:	Councilor Craddick seconded the motion.

Councilor Burkholder introduced Resolution No. 12-4394. Councilor Burkholder stated that over 20 years ago Metro inherited the St. Johns Landfill from the City of Portland. When Metro took over the landfill, began to modernize it and protect the surrounding area from future environmental impacts, Metro also collected fees and created a legacy fund that has been funding small regional grants. However, the interest generated on the fund's principle balance, \$1.5 million, is decreasing and only reached \$9,800 in 2011. Additionally, Councilor Burkholder stated that the actual cost of overseeing the program has continued to grow and exceeds the amount of money produced. The resolution, if approved, would program the principle balance over a maximum five-year time period. He stated that the current committee would continue its service and is expected to come to the Council in spring 2013 to ask for facilitation and planning assistance. Councilor Burkholder stated that Metro Councilor-elect Sam Chase would chair the enhancement committee in his absence.

Councilor Burkholder welcomed North Portland Enhancement committee members Mr. Shawn DeCarlo and Ms. CeCe Hughley Noel to express their support for the resolution. They stated that the recommended program changes reflect the voices of North Portland residents and local non-profit staff, and that while people had varying opinions on how to spend the balance, all expressed their

desire to ensure the local community was the primary beneficiary of the remaining funds. Their presentation briefly overviewed the committee's deliberations and the impact of the grant program.

Council discussion

Council thanked the committee members for their service and Ms. Oylean for her testimony. Councilors asked clarifying questions regarding the fund's 2018 sunset. Councilor Burkholder clarified that the committee was undecided on how to allocate the funds, but believed that the five-year time period would provide sufficient time to decide and make responsible decisions on how to spend the money. Additionally, he stated that the five-year time period would provide flexibility to respond to unforeseen requests. Councilor Hosticka expressed his preference that the committee has more flexibility in terms on how long the fund is alive and that each time the committee considers a project, it looks at the criteria and determines whether the expenditure is more valuable now or in the future. Council President Hughes stated that having a councilor chair the committee sort of automatically provides flexibility with the sunset date.

Councilors also acknowledged the concerns about spending the money but did not believe the fund interest would be replenished soon. Councilors stated that the committee's recommendation was a wise proposal and that the bigger financial opportunity could provide some truly transformational investments in the community. Additional discussion included projects' ability to leverage (or not leverage) additional funding resources; examples included the past Peninsula Children's Center.

Vote:

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

5.1 Ordinance No. 12-1296, For the Purpose of Amending the Urban Growth Boundary in the Vicinity of the City of Lake Oswego Upon Application by the City of Lake Oswego.

Council President Hughes stated that Ordinance No. 12-1296 required quasi-judicial hearing. As part of the hearing process, Councilors were required to declare a conflict of interest, bias or ex parte contact prior to the staff presentation. No Councilors declared conflicts of interest, biases or ex parte contacts for Ordinance No. 12-1296.

Metro Attorney Alison Kean Campbell read the procedural requirements for quasi-judicial hearing for Ordinance No. 12-1296.

Mr. Tim O'Brien of Metro provided Metro's staff report regarding the City of Lake Oswego's application to amend the urban growth boundary (UGB) under the major amendment process outline in Metro Code. Mr. O'Brien stated that the city has applied to amend the UGB to include 9.8 acres to be used for an indoor tennis facility. He stated that the current facility is heavily used and that due to restrictions in the city's charter, the current facility cannot be expanded. The proposed new site, titled the Rassekh property, is owned by the city, currently zoned for park and open space use, and is located at the intersection of SW Stafford Road, SW Rosemont Road and Atherton Drive in Lake Oswego. The property was initially included in the UGB in 1998 but then removed in 2006 and exchanged for 13.9 acres, now known as Hazelia Field at Luscher Farm. It was believed the sport facility was better suited for the larger site due to potential environmental impacts to the Rassekh parcel.

Mr. O'Brien stated that in 2008 the city initiated a feasibility study that looked at co-locating a new indoor tennis center at the city golf course site; however it was determined that expansion at the golf course was not feasible. Mr. O'Brien stated that of the six areas studied, three – including the Rassekh property – had the best potential for a new indoor tennis facility. Specific site plans and refined development costs were developed for these three sites and resulted in a determination that the Rassekh parcel was the most suitable location. The study also recommended the city sell the existing facility for residential use as a way to help fund the new facility. (Mr. O'Brien also noted that as part of the application process and requirements of Metro Code, the city analyzed three other locations within the adjacent urban reserve area to determine their suitability for the tennis and park facility.)

The criteria for the major amendment of the UGB are contained in Title 14 of the Urban Growth Management Functional Plan and are the same required when considering legislative amendments to the UGB. Mr. O'Brien stated that code requirements are divided into two groups: identifying a valid need, and secondly identifying the best location to meet the identified need. This occurs through the application of the locational factors that are weighed and balanced to determine the most suitable location for the UGB expansion. The determination of the most suitable location occurs once the need has been validated and it has been determined that the need can't be satisfied on land already within the UGB. He stated that based on the city's analysis Metro staff has determined the application has met the need portion of the code requirements. As such, staff has determined that the need cannot wait 2 to 4 years until the next UGB legislative cycle when such a park land need may or may not even be considered. Furthermore, staff noted that of the analyzed locations – both inside the city and the adjacent urban reserve – that the most suitable location for the new facility and park was the Rassekh property. Staff recommended approval of the application.

Mr. O'Brien stated that the hearing's officer, Administrative Law Judge Bernadette House, held a public hearing on September 20 to receive testimony on the city's application. Her report, Exhibit A to the ordinance, expressed support for the city's application. The Metro Council was presented with four options for their consideration:

- (1) adopt Ordinance No. 12-1296 and approve the city's application based on the findings of fact and conclusions of law in the hearing officer's report;
- (2) adopt Ordinance No. 12-1296 and approve the city's application based on revised findings of fact and conclusions of law to be prepared by Metro staff;
- (3) Remand the proceeding to the hearings officer for further consideration; or
- (4) Adopt a resolution to deny the city's application based on revised findings of fact and conclusions of law to be prepared by Metro staff.

Lastly, Mr. O'Brien stated that pursuant to Code Section 3.07.1455, the Council may establish conditions of approval it deems necessary to ensure the addition of land complies with state planning laws and the Regional Framework Plan.

Councilors asked clarifying questions about the definition and intent of the term "need," why the application could not wait until the next UGB expansion cycle, and if the need identified by the city was for the tennis facility or the property use. Mr. O'Brien and legal counsel Roger Alfred clarified that the need identified by the city was not currently met within the existing boundary and that the need was for the property use not the actual tennis facility. Staff stated that if the ordinance were approved, the UGB expansion would remain in affect even if the tennis facility was not constructed. Staff also overviewed the UGB expansion process and clarified that the major amendment process allowed for open space needs. Staff also stated that the current favorable economic conditions were

a factor in the city's application, but clarified that the city also heavily documented the need for the use.

Council President Hughes opened a public hearing on Ordinance No. 12-1295

Applicant Presentation:

- **Jack Hoffman, City of Lake Oswego:** Mayor Hoffman expressed his support for staff's and the hearing officer's recommendation to expand the UGB to include the small parcel. He stated that the application was not suitable for the legislative amendment process scheduled for 2015 since housing and employment are not needed. He also stated that the city has signed a memorandum of understanding with Clackamas County agreeing to participate in the framework level planning efforts for the Stafford Basin.
- **Kim Gilmer, City of Lake Oswego:** Ms. Gilmer stated that tennis has been an extremely popular program since the 1970s, and that current players are using the same four court facility. She stated that the city's charter does not allow for the expansion of the current facility; there are restrictions on the facility's footprint. She stated that while the city knew anecdotally there was a demand for tennis facilities, it was not until the 2009 feasibility study that the city understood to what degree. She discussed the independent consultant's report and emphasized that the consultant's intent was to avoid over construction of facilities. She overviewed his methodology and market analysis findings regarding demand. Similar to Mr. O'Brien's report, she provided information on the five sites considered for the facility and addressed why the other four sites were not selected to move forward. Highlighted reasons included parcel size, sensitive lands, topographical issues, property ownership, and cost. She stated that while the market is lower for construction services, it was not the only reason the city submitted the application. She reiterated that the market analysis demonstrated the need for the tennis facility, and stated for the record that the Stafford Hills Racquet Club was included in the study's assumptions. Additional comments addressed the city's tennis summer participation rates. She emphasized that the city's tennis participation rates are higher than the national averages for September through May. She stated that pending the Metro Council's approval, the city would begin design and development review to build the facility.
- **Mary Dorman, Angelo Planning Group:** Ms. Dorman stated that she prepared the UGB amendment on behalf of the city. She reiterated that there are three tracks for UGB amendments: the typical five-year legislative process, and major or minor UGB amendments. She discussed the UGB amendment process to date and outreach completed. She stated that approval of the application was a critical first step as the facility would require urban infrastructure, water and sewer. She also addressed and reiterated staff's comments regarding the review of other properties in the Stafford area and urban reserves. She stated that the staff and hearing officer's reports found that the application met the criteria, and that the proposed site was the most suitable to meet the needs of the tennis center. In summary, she stated that the city's application provided the evidence and findings to document compliance with the criteria and factors called for in Metro Code.
- **Sally Moncrieff, City of Lake Oswego:** Councilor Moncrieff stated that she has chaired the city's comprehensive planning citizen advisory committee for the last three years. Over that time the citizens have expressed their support for the facility. She stated that the facility was an essential service for the city and a factor in defining its livability. She stated that the facility provides opportunities for all ages and emphasized the positive health impacts and the facility's ability to create a sense of community for Lake Oswego residents. She

emphasized that the project was a priority for local residents and was identified in the Parks Plan. She stated that by implementing the plan, the city would realize its vision for Lake Oswego as a thriving city.

Council asked clarifying questions about the possibility of building the current facility up versus out, and the status of the Stafford Basin framework plan and work with Clackamas County and surrounding cities. Additionally, councilors asked clarifying questions about the traffic impact analysis and how customers would access the site (e.g. cars, bikes, etc.).

Citizens in Support of Ordinance No. 12-1296:

- **Doug Jost, 3140 Westview Circle, Lake Oswego:** Mr. Jost was in support of the ordinance and stated that the City of Lake Oswego had done an excellent job of establishing the need for the project. He stated that competitive recreational tennis is categorized in three areas based on gender, age and ability. He stated that there is no competitive tennis at the current facility and that the city was in desperate need of the facility.
- **Cyndi Murray, 3140 Westview Circle, Lake Oswego:** Ms. Murray was in support of the ordinance and stated that she lived in the Palisades Neighborhood approximately one mile from the proposed site. She stated that while the surrounding area is developed with soccer, football and other recreational fields, tennis is her sport. She stated that she has yet to win the lottery for court time and as a result has had to drive to Vancouver, Washington to play on a team. She thanked the Lake Oswego City Council for its past work and a decision to build the existing facilities as that too was controversial.
- **Evie Fuson, 1255 Chandler Rd., Lake Oswego:** Ms. Fuson expressed her support for the ordinance. She stated that the courts are overcrowded and that it was difficult to get professional instructor and class time. She stated that the independent consultant clearly documented the need for the facility. Additionally she stated that as a former consultant with an international firm specializing in market and financial feasibility of large scale land use projects for recreational uses, she could state with certainty that the existing usage statistics do not predict future demand accurately. She emphasized the huge unmet potential for indoor courts. She stated the facility's ability to attract new users to the sport is restricted due to inadequate facilities. She also addressed private versus public clubs and stated that private for profit clubs offer wonderful expanded amenities, but also require a level of financial and time commitment many users can't or don't want to make.
- **Paul Kachel, 3085 Westview Circle, Lake Oswego:** Mr. Kachel was in support of the ordinance and stated that he plays at the Lake Oswego indoor courts when he can get court time. He stated that the shortage of courts is well documented and that it impacts players of all ages. Mr. Kachel stated that the city has found the solution and the proposed property for the new tennis center is within city limits and until recently also sat within the UGB. He stated that the land parcel has never been used for agriculture activities and that the proposed court is directly in line with other recreational activities along Stafford Road and adjacent Lakeridge High School property. He emphasized that the land parcel already sits in a sports corridor and stated that the request to add it back into the UGB was not a drastic reassignment.
- **Liz Lamade, 2486 Palisades Crest Dr., Lake Oswego:** Ms. Lamade was in support of the ordinance and stated that the property was purchased with active recreational use in mind. She stated that until recently the property was in the UGB and that it was time to correct the short-sighted property switch. She stated that tennis requires a covered, indoor facility and

it was well documented that there are not sufficient affordable public indoor courts. She also stated that the courts are not just for Lake Oswego residents, but also support West Linn, the neighboring city.

- Mary Ann Kunkel, 3085 Westview Circle, Lake Oswego: Ms. Kunkel expressed her support for the ordinance and stated that the property was purchased in 1996 for sports and active sport use. She stated that the site sits in line with other properties on Stafford Road including the golf course and multi-purpose field, as well as sports fields and facilities owned by Lakeridge High School. She stated that the property was at the city's outskirts, but was within city limits.

Citizens in Opposition to Ordinance No. 12-1296:

- Rick Cook, 18451 SW Stafford Rd. Lake Oswego: Mr. Cook stated that he was not opposed to tennis, but was opposed to the ordinance. He stated that he was a historic property owner, and a member of the Stafford Hamlet and Tualatin Stafford CPO who have also opposed the ordinance due to the piecemeal planning that had occurred. He stated that the Stafford area needed to be planned prior to development. In addition he recommended the city consider a property in the downtown Foothills development and stated that the urban area would be accessible to everybody. Mr. Cook also reference and read from Title 14, 3.07.1430 regarding major UGB amendments which would allow the Council to consider an amendment outside of the application window upon the request of a Metro Councilor after the area's master plan is implemented.
- Jim Zupancic, Legal Counsel for Stafford Hills Club LLC: Mr. Zupancic, on behalf of the Stafford Hills Club, LLC was opposed to the ordinance. He stated that the 93,000 square foot recreation and wellness facility opened on December 3 and sits within the UGB approximately 600 feet from the northern Lake Oswego boundary. He stated that the City presented an argument for demand, but did not believe that it was an extraordinary circumstance to go outside the regular legislative process. He cautioned that if approved, Metro would receive other applications and special requests. He stated that the need for the activity in the region existed, but that other regional facilities have been built that will address a great amount of the need. He encouraged the decision be postponed until 2014 and stated that he did not believe the criteria under 3.07 had been met.

Council asked clarifying questions about the facility's uses, membership and footprint. Mr. Zupancic stated that the facility contains 10 courts and has additional space for other kinds of programs. He stated that the facility has members joining every day, but that one could play as a guest at the facility. Additionally, Mr. Zupancic stated that approximately six acres of the property is being developed.

- Jeanann McCoy, Atherton Heights Homeowners Association: Ms. McCoy stated that she was not opposed to the tennis facility but was opposed the proposed property. She asked for clarification on if the UGB expansion is approved and the facility is not constructed, what would happen to the annex property. She addressed safety concerns related to the transportation roundabout and entrance to the proposed facility.
- Anita Derry, 2195 SW Pattuco Way, West Linn: Ms. Derry opposed the hearing officer's findings, specifically page 21 of 40 of the report regarding findings on avoiding conflict with significant fish and wildlife habitat. She stated she lived one mile south of Stafford in the Mossy Bravewater neighborhood, an area that is under consideration to be annexed into the

UGB as wildlife habitat. She spoke for the local wildlife and stated that development will move wildlife out. She stated that this was rural land with people and wildlife living on it.

Rebuttal:

Council President Hughes welcomed Mayor Hoffman and Mr. Evan Boone, legal counsel for the City of Lake Oswego, to rebut testimony from ordinance opponents. Mayor Hoffman stated that the proposed tennis courts would be funded through tennis revenues; he emphasized that the public dollars would be invested in the public facility to meet the needs of the public. He compared this investment to other public investments (e.g. water towers) and stated that if the city chooses to wait to build prices will increase. He stated that communities should be given some discretion to define livability and that one definition might not fit each community. For Lake Oswego recreation needs have been identified as an element of livability. Mr. Boone echoed the Mayor's comments regarding livability and stated that the need is personal and has long not been met. He stated that the Metro Code allows for UGB amendments outside the legislative process for public facilities and that the legislative process is not conducive to these types of requests because it is focused on housing and industry amendments. Mr. Boone addressed the citizen comments regarding potential traffic impacts and stated that this would be addressed during the permitting process. He also stated that the city does protect its sensitive lands, has met the appropriate criteria, and that the proposed recreation use or park use would be less impactful than residential use. He stated that the city intends to build the tennis facility on the site.

Seeing no citizens – either in support or opposition to the application – who wished to testify, the public hearing was closed.

Motion:	Councilor Harrington moved to approve Ordinance No. 12-1296.
Second:	Councilor Barbara Roberts seconded the motion.

Council President Hughes, and Councilors Harrington, Craddick and Roberts expressed their support for the ordinance. They cited the rigorous UGB expansion process, the demonstrated demand and need for the facility, the local community's aspirations, and the positive health impacts of tennis as reasoning. Councilors also stated that the amendment process was in place and written in law for this type of purpose and application. Councilors stated that while the term "need" can be a matter of opinion at times, the local community found a need and the city completed the appropriate steps for the application. Additional discussion included future UGB expansion requests and if approval of the ordinance could set a precedent future actions.

Councilor Burkholder stated that he would not be in support of the ordinance. Having participated in two previous legislative UGB expansions, he stated that the process should be defended. He was concerned and not convinced that the application satisfied a need versus a desire for the public facility. He also stated that the city's financial reason was not one of the requirements for UGB expansion and was concerned with the argument that the expansion must occur now to save money. Councilor Hosticka also stated that he would not support the ordinance and stated that he tends to be very conservative in expanding the UGB. He stated that he was more conservative with, and cautious of, the city's application because of the planning and development uncertainty of the Stafford Basin. While he appreciated the city's agreement with the county, he stated that there was a long way to go before Stafford has a concept plan – which is a requirement for UGB expansions. He was also unconvinced that the project could not wait, and believed the planning should be completed as part of the larger Stafford Basin discussion.

Vote:

Council President Hughes and Councilors Roberts, Craddick, and Harrington voted in support of the motion. Councilors Hosticka and Burkholder were opposed to the motion. The vote was 4 in favor and 2 opposed, the motion passed.

6. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett's update included:

- The new operator will begin at Glendoveer Golf Course will begin on January 1. Additionally, the new and more permanent agreement with Ringsid will begin on January 1.
- Ms. Bennett, Council President Hughes and Councilor Burkholder met with the Oregonian's editorial board to discuss the possible natural areas local option levy. Staff and councilors are also expected to meet with the Portland Tribune on Friday, Dec. 7.
- There will be a celebration at the Oregon Convention Center on December 13 to recognize outgoing Councilors Burkholder, Roberts and Hosticka for their service on the Metro Council.

Ms. Kean Campbell stated that the Office of the Metro Attorney will file by Tuesday, December 11 a response to litigation filed in the urban and rural reserves case. Legal counsel does not anticipate a final decision until May 2013. Legal counsel is available to brief the Metro Council after their response has been drafted.

7. COUNCILOR COMMUNICATION

Councilor updates included the recent Hillsboro City Council meeting, and completion of the Community Planning and Development Grant administrative rules.

Councilors highlighted that the Metro plaza has been renamed the Apotheker Plaza and dedicated to former Metro employee Steve Apotheker for his contributions on waste reduction and recycling.

8. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 4:47 p.m. Council will convene the next regular council meeting on Thursday, Dec. 13 at 2 p.m. at the Metro Council Chamber.

Respectfully submitted,



Kelsey Newell, Regional Engagement and Legislative Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF DEC. 6, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
	Testimony	12/6/12	Written testimony submitted by C. Scott	120612c-01
3.0	Minutes	11/2912	Council summary for 11/2912	120612c-02
4.1	Handout	N/A	Collated citizen comment on Resolution No. 12-4394	120612c-03