

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, September 2, 2003
Metro Council Chamber

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

Councilors Absent: Carl Hosticka

Council President Bragdon convened the Metro Council Work Session Meeting at 2:04 p.m.

1. SALEM LEGISLATIVE REPORT

Dick Benner, Metro Senior Attorney, said that HB 763 on Subregional Analysis did not make it. It will still be five years not seven. He noted that Doug Riggs, PacWest, said the TriMet tax passed. Mr. Benner said HB 516 was the first significant change to Ballot Measure 56. He detailed the changes. Councilors asked about notification deadlines. Mr. Benner responded to their questions. He said HB 920 passed, changing periodic review. He explained the impacts on Metro. HB 467, on industrial sites, was folded into HB 2011. He explained what this bill covered and how this would promote the development of the sites. Councilor McLain suggested finding out about the landfill bill and permitted uses. Councilor Newman asked about the interim committee on land use. Mr. Benner said it did not pass.

2. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, SEPTEMBER 4, 2003.

Council President Bragdon reviewed the upcoming agenda. He noted Resolution No. 03-3369 concerning Bethany. Councilor McLain said there was a group that was trying to gather enough signatures to appeal Bethany. She explained their concerns. Council President Bragdon noted that our resolution encouraged citizen involvement. Councilors and the Chief Operating Officer spoke about public involvement and Title 11 compliance. Councilors then discussed concept planning and Metro's responsibilities. Councilors asked about Resolution Nos. 03-3362 and 03-3368.

3. ROBERT WOOD JOHNSON FOUNDATION GRANT PROPOSAL

Andy Cotugno, Planning Department Director, spoke to the summary of current Metro Involvement in Grant Applications to Robert Wood Johnson Foundation, and Others (a copy of these grants are included in the meeting record). He noted that all of these grants were health related. He detailed Round 1 and 2, Active Living Policy and Environmental Studies Program (ALPES). Mark Bosworth, Planning Department, said Robert Wood Johnson Foundation had identified two research areas; environmental studies connections with land use and research having to do with policy. He talked about Grant Proposal 3, Active Living Policy and Environmental Studies Program (ALPES), Round 2 Up to \$150,000. Bill Barber, Planning Department, talked about health and planning issues history and what was happening currently. He talked about the Regional Transit Options. Mr. Benner talked about Metro's efforts on Centers and our involvement to support the Metro's Center strategies with this foundation. Councilor Newman said he had spoken with Kate Craft about the foundation's plan. They were focusing on children. Councilor Burkholder said a number of committees such as Joint Policy Advisory Committee on Transportation (JPACT) were including Health Officers as part of their membership to discuss and focus on health and environment issues.

4. TITLE 4 – UPDATE OF PROCESS

Mary Weber, Planning Department, talked about Metro Policy Advisory Committee's (MPAC's) discussion on Title 4. The Planning Department was seeking a head nod on how they proceed with Title 4. She noted the Title 4 Regional Significant Industrial Areas work session outline (a copy of which is included in the meeting record). She detailed what the Code language did and where it applied. She shared the details of studying the industrial areas. She met with local governments. There were several items in Title 4 that needed to be clarified or refined, including build out areas. She explained some of the issues around industrial site issues such as first time financing or reuse of the building over time. Councilor Burkholder asked about the industrial job definitions. Ms. Weber talked about the support function for industrial sites and the need for physical proximity to the industry. Councilor McLain talked about the Hillsboro experience and the request for more industrial land. Ms. Weber said they think that some of the refinements were necessary. There was a need to discuss the reuse of industrial buildings and land. Councilor Park asked about companies that might be subsidiary versus industrial SIC code. He talked about the first use of the building and the second use. He expressed concern about the real intent of building buildings that support industry. Ms. Weber asked what was Metro's level of interest, first time interest, or future. Councilor Park asked about the building "poaching" for second and third use. Ms. Weber said she thought there was a role for retail but we had to trim it down. Councilor Newman said that our industrial forecast was based on office jobs. If we wanted to move those jobs, would that change our industrial forecast? Ms. Weber said she thought those jobs would not move to centers.

She explained the intent of industrial areas and some jobs were to support the industry. She felt they should be physically connected. Councilor Newman said in looking at the language we have done a good job of tightening around retail. Most of the controversy was related to office use. Most were concerned with the office parks. Would the 50-acre parcelization freeze out office developments? Council President Bragdon said there were jurisdictions that expressed concerns but there were also jurisdictions in support of Title 4. This was restricted to regional significant industrial lands. He suggested that flexibility over time would be different than flexibility at the time of development. Councilor McLain added that we know a lot more now about industry than what we did in the past. The language had to demonstrate what we know. Users in the future could be dealt with differently. Councilor Park asked about conversion factor from industrial to commercial use. Ms. Weber said one of the things that were indicated in the Code would be that this would be revisited over time. They met with Gresham and they expressed concern about accessory use. They had also met with the Port of Portland concerning airport use. Most was commercial use not industrial. She talked about refinements.

Mr. Benner said what he learned in meeting with the jurisdictional governments was the problem of flexibility versus certainty. There was nothing in Title 4 that defined industrial. This allowed flexibility for the local jurisdictions. The implementation was difficult given the flexibility in Title 4. He noted that there were not that many large parcels inside the Urban Growth Boundary (UGB). They needed to have a discussion about "over time" issues. He suggested using a model to make sure we had a reserve of large sites. Council President Bragdon talked about next steps. Ms. Weber said they would like to go to Metro Technical Advisory Committee (MTAC) and indicate that they had some refinements. They would like a nod on the process to go out and do refinement. Ms. Weber said the Council would need to take some action by November. Councilor Park talked about the corporate headquarters issue. Mr. Cotugno said it was clear there was some need for refinement.

5. FY 04-05 BUDGET ASSUMPTION DISCUSSION - PERSONAL SERVICES AND GLOBAL ASSUMPTIONS

Council President Bragdon introduced that topic. This would be a two-part discussion concerning assumptions. Today the Council and staff were talking about global assumptions. He talked about the budget timeline.

Kathy Rutkowski, Financial Planning, said they would be talking about global financial assumptions. She spoke to the contents in the packet. She talked about the resolution and the formalization of the assumptions. Council President Bragdon asked about Metropolitan Exposition Recreation Commission (MERC) timeframe. Were they involved in the next session? Ms. Rutkowski said they would be involved in next Tuesday's discussion. She walked through the report, salary base and adjustments, fringe benefits, general revenue estimates and other global assumptions. She noted that there would be no change in elected official salary. The non-represented and AFSCME were lumped together. She suggested creating a salary pool, different from years previously. She recommended a 5% pot of money for this group. She then covered all other employee groups, which included other labor unions. She recommended creating a Cost Of Living Adjustment (COLA) pool for that group. She talked about COLA award range, which was based on a CPI-W. She recommended a 2% COLA.

She then addressed fringe rate. The individual assumptions under each area were different and included: required or miscellaneous benefits, health and welfare benefits and Public Employee Retirement System (PERS). She reviewed the summary of required and miscellaneous benefits and her recommendations. She detailed the medical, dental and vision recommended caps. Councilor McLain asked about self- insurance and how that impacted Metro. She then addressed the PERS issue and the set aside. She talked about the legislative actions and the impact on Metro. She talked about the investment losses. There were a lot of unknowns but they knew rates would increase. Council President Bragdon said he had asked Ms. Rutkowski to offer the most conservative estimates. Ms. Rutkowski said she would recommend reserving an additional 6.5%. Councilor Monroe concurred with Ms. Rutkowski's recommendation. Councilor Burkholder asked about reserves on grants. Ms. Rutkowski explained what may or may not happen and what would be allowable on grants.

She talked about General Revenue Estimates. The long-term interest rates were on the upswing but the short-term interest rates were still low. She talked about excise tax: solid waste base, all other facility general excise tax and the \$1.00 per ton for parks. Councilor Park asked about recovery rate. Ms. Rutkowski said they budget for the base excise tax. Councilors talked about Oregon Zoo revenue projections. Councilor Burkholder talked about the parking issue at the Zoo and the potential revenue. Ms. Rutkowski talked about Zoo revenue targets. They were projecting flat until they saw an upturn. Councilors talked about Zoo Foundation revenue versus Zoo revenue. Ms. Rutkowski said MERC had revised their forecast downward. She spoke to what we could expect in terms of excise tax losses. Parks forecast should be up. Their preliminary project will be up about 4%. She talked about the change in excise tax for 04-05. Councilors asked about the \$1.00 per ton for parks. Councilors felt we should have a discussion about this but we should plan on the assumption. Ms. Rutkowski talked about excise tax allocations to operating departments. Councilors discussed MERC financial projections. She talked about contingency. They projected a 4% contingency level. She talked about special appropriations in the general fund such as elections expenses, contribution to Regional Arts Council C, Water Consortium dues, and public notifications. Councilors suggested adding a special election budget. She then talked about central service transfers and overhead rates and their proposed assumptions. Councilor Burkholder asked about new state tourism tax and the impact on MERC.

6. CITIZEN COMMUNICATION

There were none.

7. CHIEF OPERATING OFFICER COMMUNICATION

Mike Jordan, Chief Operating Officer, talked about the retreat scheduling.

8. COUNCILOR COMMUNICATION

Councilors expressed concern about Oregon Convention Center (OCC) budget issues.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:45 p.m.

Prepared by,

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER
2, 2003**

Item	Topic	Doc Date	Document Description	Doc. Number
2	Agenda	09/4/03	Council Agenda for September 4, 2003 meeting	090203c-01
3	Grant Applications	August 2003	To: Metro Council From: Mark Bosworth, Andy Cotugno and Bill Barber Re: Summary of Current Metro Involvement in Grant Applications to Robert Wood Johnson Foundation, and others	090203c-02
4	Title 4	9/2/03	To: Metro Council From: Mary Weber, Planning Dept., Re: Title 4 Regionally Significant Industrial Areas Outline of Implementation Issues and Recommendations	090203c-03
4	Title 4	3/5/03	To: Metro Council From: Mary Weber, Planning Dept., Re: Title 4: Industrial and Other Employment Areas	090203c-04