

MINUTES OF THE METRO COUNCIL MEETING

Thursday, November 20, 2003
Metro Council Chamber

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

Councilors Absent: Carl Hosticka (excused)

Council President Bragdon convened the Regular Council Meeting at 2:03 p.m.

1. INTRODUCTIONS

Tony Vecchio, Oregon Zoo Director, thanked Councilor Monroe for representing the Council at the Condor Conservation Center opening. Four condors came in yesterday and the rest should be arriving today. He noted the partnership with Greenspaces for the condor site. Councilor Monroe said it was an exciting time. He was impressed with the design of the facility. He spoke to the Clear Creek openspace site where the condors would be housed. He looked forward to the arrival of the first egg. This facility would double the number of condors. Mr. Vecchio talked about the tribes support. They were excited about the Thunderbird returning to Oregon. He then presented condor pins and condor measuring tapes to the Council.

2. CITIZEN COMMUNICATIONS

There were none.

3. MT. HOOD CABLE BROADCAST GRANT RECOGNITION

Councilor McLain recognized Mount Hood Cable Regulatory Commission for the Mt. Hood Cable Broadcast Grant. The Metro Council meetings were now live because of the grant. She also thanked Portland Cable Access (PCA) and Tualatin Valley Television (T VTV) for their in kind participation in the grant. Council President Bragdon presented a plaque to Rick Goheen, Vice Chair of the Commission. Mr. Goheen said on behalf of the Mt hood Regulatory Commission he thanked the Council for their efforts. The Cable Commission had been involved in giving these types of grants over the past several years. Dan Cooper, Metro Attorney, said it was particularly fitting for Mr. Goheen to be here. He was the person who helped negotiate the Clear Creek openspace purchase where the condors would be housed.

4. FIRST QUARTER FINANCIAL REPORT

Casey Short, Financial Planning Director, presented the FY 2003-04 first quarter report financial report (a copy of which is included in the meeting record). He talked about the two areas of concern, MERC and the Oregon Zoo and detailed revenue issues.

5. METROPOLITAN EXPOSITION-RECREATION COMMISSION (MERC) PAY FOR PERFORMANCE AUDIT

Alexis Dow, Metro Auditor, introduced the power point presentation on the MERC Pay for Performance (PFP) program (a copy of which is found in the meeting record). She said the title of the three reports spoke to the areas they considered in their audit (the three reports are included as

attachments to the meeting record). They looked at this program to determine the potential for application to Metro. Joe Gibbons, Senior Auditor presented the specifics of each report. They applauded MERC for their efforts in attempting to implement this program but felt that MERC fell short. He detailed some of the specific needs for improvement. There was a need for stronger oversight by Metro. He talked about the MERC response and that they did not address most of the audit concerns. The Auditor was looking for a program with certain elements. They did believe MERC's PFP program as implemented was not a model for Metro. He explained further why it was not a model. They felt the Commission needed to play a stronger role in the PFP program. Council President Bragdon asked about the August 1, 2002 letter. Mr. Gibbons said the letter covered the Council's concerns. Council President Bragdon talked about responsibility but a lack of authority. Councilor McLain asked Mr. Gibbons about his comments that MERC was using the program to help raise certain employees salaries. Mr. Gibbons said they believed that PFP and the compensation study were intertwined. Ms. Dow explained the purpose of doing a compensation study.

Commission Chair Gary Conkling responded to the audit. He felt the tone of the presentation was someone adversarial. They respected constructive criticism but felt the program was an important one. He spoke to the history of the results based program. He spoke to the primary purpose of the program. He talked about the benefits of the program. Regular employee performance evaluations were helpful to MERC. He talked about what they were doing to improve the four-year program. They had done an employee satisfaction survey. The audit provided recommendations that were helpful and many recommendations had already been implemented. They found that PFP was fiscally responsible. Their program had cost less. He noted their formal response to the auditor. They had attempted to be constructive in their response. He spoke to where they disagreed with the audit. He felt that the Commission did know what was going on with this program. They appreciated the opportunity to respond to the audit. He respected the auditor taking this audit on.

Councilor Park asked Mr. Jordan about his response concerning management authority. Mr. Jordan said the audits that were done regarding MERC and the authority delegated to MERC was not issues that the Chief Operating Officer (COO) would normally comment on. The authority of the COO was limited. Councilor McLain clarified Mr. Jordan's response. Councilor Newman asked about the accountability processes needing to be strengthened. First, pay adjustments during probationary periods. Tanya Collier, Human Resource Director of MERC, talked about salary negotiation. Councilor Newman asked how broad was this circumstance? Mr. Gibbons said they did not review all of the employee's files but at the time the policy was specific that these actions was not allowable. When there were deviations from policy, they felt that they should report this to the policy makers. The MERC policy was that all MERC employees were under a specific vacation schedule. There were several employees that received Metro vacation benefits rather than MERC vacation benefits. Councilor Newman asked if this decision was inconsistent with policy. Mr. Williams said they believed that this decision was not inconsistent with policy. Commissioner Conkling concurred. Councilor Newman asked about reasons for salary increases that were not documented. Mr. Gibbons explained the lack of documentation. They looked for the documentation in the employee's file. Ms. Dow spoke to accountability and the policies set by the Commission. Mark Williams, MERC Manager, said they didn't feel individual adjustments were in violation of any policies.

Council President Bragdon said, as a concept, PFP was a sound management tool. The Council wanted the COO to explore PFP for Metro. This sounded like the issue was an implementation issue. Ms. Dow agreed. It was an implementation issue. Council President Bragdon said that measurement and oversight were the issues. He asked Ms. Dow about suggestions from better measurement. Ms. Dow talked about criteria and meeting those criteria. They had suggested an

outside consultant with a human resource background might have better ideas as to how to compensate employees in a down turned market. Commissioner Conkling said running a convention center was not necessarily a profit making business. He asked how you tied individual performance to facility performance. They had used a consultant to help build the system. Council President Bragdon said this was a complicated subject and performance of the organization doesn't necessarily translate to employee performance. He then spoke to the Commission being more vigilant. He was concerned about the fact that the Commission was a part-time volunteer Commission. Could they address the appropriate role in relationship to administering the program? Ms. Dow said oversight was a key focus in governance today. She noted Lewis and Clark College's situation. The focus was that boards had been more removed than they were expected to be today. She felt that if you have established policies it allowed for opportunity for a board to be more involved. It was expected that management should bring these issue to the commission. Councilor Newman said what he was trying to discern was if there were specific policies adopted by the Commission? Commissioner Conkling responded that boards today needed to be more vigilant and to exercise their fiduciary responsibilities. In this case they did take their duties very seriously. They viewed their role on the Commission very seriously. There was a clear separation between policy and management. In the case of the PFP, the General Manager had certain authority to run his program that the Commission had given him. They were interested in making this program work better. He acknowledged the need for improvements but was also satisfied with the progress of the PFP program. Council President Bragdon talked about oversight of Metro Council. They ultimately have a responsibility without authority. He reiterated that this was sound management tool. Hats off to MERC for giving the program a try. Mr. Gibbons said they were talking about management's reporting to the board. It should be based on established and defined goals and objectives. Secondly, the Commission needed to set reporting requirements. This Council had established good reporting practices in such areas as growth management.

Councilor Park spoke to outside factors that you couldn't control. He was curious about the number of inconsistencies. Mr. Gibbons said he did not know, they didn't do a compliance audit but rather a program audit. He was not questioning the integrity of the program. He felt, from a management perspective, there were inconsistencies that needed to be tightened up. Ms. Dow talked about policy and expressed concern about inconsistency. There was a reason that Commission set policy, management owed clarification when they went outside the parameters. Her concern was there should be a management system and accountability. Councilor Park asked how long the audit took. Mr. Gibbons said it took about 18 months. He suggested directing his question to MERC. Councilor McLain said she felt that there was a desire to do good work. She suggested that the audit allowed an opportunity for improvement. The auditor's suggestion about outside consultant was a good idea. She talked about accountability and oversight of the policy. Was the process there or was it not? The resources had to fit the program and the program had to fit the budget. She suggested adjustments in the program to fit changing circumstances. She reminded that MERC and Metro needed to be on the same team.

6. CONSENT AGENDA

- 6.1 Consideration of minutes of the November 13, 2003 Regular Council Meetings.
- 6.2 **Resolution No. 03-3385**, For the Purpose of Authorizing the Chief Operating Officer to Enter into and Execute an Intergovernmental Exchange Agreement and Related Easements with the Port of Portland For a non-cash Exchange of Property.
- 6.3 **Resolution No. 03-3387**, For the Purpose of Adopting the Oregon Savings Growth Plan.

Motion: Councilor Park moved to adopt the meeting minutes of the November 13, 2003, Regular Metro Council meeting and Resolution Nos. 03-3385 and 3387.

Vote: Councilors Burkholder, McLain, Monroe, Park, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

7. ORDINANCES – SECOND READING

7.1 **Ordinance No. 03-1028**, For the Purpose of Transferring \$67,959 from the Planning Fund Contingency to Personal Services to add .50 FTE Associate Public Affairs Specialist and Provide for Temporary Assistance in the Planning Fund; and Declaring an Emergency.

Motion:	Councilor McLain moved to adopt Ordinance No. 03-1028.
Seconded:	Councilor Newman seconded the motion

Councilor McLain explained the reason for this housekeeping ordinance, which would allow staff to be paid for their outreach efforts on Goal 5 out of the appropriate fund. She urged support.

Council President Bragdon opened a public hearing on Ordinance No. 03-1028. There were none. Council President Bragdon closed the public hearing.

Vote: Councilors Park, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

8. RESOLUTIONS

8.1 **Resolution No. 03-3384**, For the Purpose of Appointing Citizen Members to the Transportation Policy Alternatives Committee (TPAC) in November 2003.

Motion:	Councilor Park moved to adopt Resolution No. 03-3384.
Seconded:	Councilor Newman seconded the motion

Councilor Park introduced the resolution and asked Marilyn Matteson, Planning Department, to speak to the citizen appointments (a copy of these nominations and their resume are included in the staff report) Ms. Matteson talked about each of the nominees. Councilor Park said all of these members brought expertise in transportation and explained further that these nominees would strengthen our transportation efforts. Michael Webb, retired from Union Pacific Railroad, said over the years he had had an opportunity to be involved in railroad transportation efforts and issues. He spoke to the benefits of living in the Portland region. He felt he could contribute to TPAC. Greg DiLoreto said he had spent over 20 years working on transportation and utilities. He was pleased to contribute to TPAC.

Vote: Councilors Park, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

8.2 **Resolution No. 03-3388**, For the Purpose of Endorsing the Bi-State Coordination Committee to Discuss and Make Recommendations about Land Use, Economic Development, Transportation and Environmental Justice Issues of Bi-State Significance.

Motion:	Councilor Burkholder moved to adopt Resolution No. 03-3388.
Seconded:	Councilor Monroe seconded the motion

Councilor Burkholder talked about the history of the Bi-State Committee and the next step, which was the Coordination Committee. Councilor Monroe had been integral in establishing the Bi-State Committee on Transportation. This Committee would be looking at land use and transportation with a particular focus on environmental justice and economic development. He spoke to the challenges of a bi-state committee. He talked about the composition of the committee and its charges. He asked the Council endorse this committee. Councilor Newman thoroughly supported the resolution. He spoke to our regionalism and the need to involved Clark County. He felt this committee was a great idea. Council President Bragdon spoke to Councilors Monroe's and Burkholder's efforts. Councilor Park said this committee would help with making better transportation and land use decisions.

Vote:

Councilors Park, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.
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8.3 **Resolution No. 03-3389**, For the Purpose of Satisfying Budget Note Three (3) related to Regional System Fee Credits and Authorizing the Chief Operating Officer to Expend the additional \$300,000 of Appropriation that is subject to Budget Note Three (3).

Motion:	Councilor Monroe moved to adopt Resolution No. 03-3389.
Seconded:	Councilor McLain seconded the motion

Councilor Monroe talked about the reason for the budget note. A Task Force reviewed the Regional System Fee Credit program. They recommended that the regional system fee credit program be continued but had not shared at what level or recommended changes. Councilor McLain said the Task Force was still working on this issue and they would be providing additional information about suggested changes. She talked about the Contingency Task Force and their work. She spoke to the integration within the program. Councilor Park asked Mike Hoglund, Solid Waste and Recycling Director, how long the money would last and was this revenue neutral to Metro. Mr. Hoglund said the revenue came from the regional system fee. The Task Force would continue to look at the program over the next month and come back to Council with recommendations for funding for the rest of the year.

Councilor Newman said he would support the resolution but noted a reservation, he had hoped that Council would have a road map that would guide Council. The work was not yet done. They still had to come to conclusion about the future of the program. Council President Bragdon said he would also support this resolution with reservations. The budget note was technically satisfied but there was still work to be done. The Task Force had indicated some need for changes in the program, such as ramping the program down and measuring the effects of the program. Councilor Monroe closed by saying this was a short-term fix. He addressed to the audience what was the system fee credit program. This program had been going on for about six years. They would be determining the usability and future of this program. Council President Bragdon disclosed that he

had received contributions from participants in this program. Councilors Monroe also acknowledged his contributions.

Vote:

Councilors Park, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.
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9. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordan, COO, said Metro had just completed their Charitable Contribution Campaign and met their goal of over \$50,000.

10. COUNCILOR COMMUNICATION

There were none.

11. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:23 p.m.

Prepared by

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF NOVEMBER
20, 2003**

Item	Topic	Doc Date	Document Description	Doc. Number
6.1	Minutes	11/13/02	Metro Council Regular Meeting Minutes of November 13, 2003	112003c-01
8.2	Staff Report	11/13/03	To: Metro Council From: Mark Turpel, Planning Department Re: Amended staff report for Resolution No. 03-3388	112003c-02
6.2	Exhibit A	11/20/03	To: Metro Council From: Alison Keene Campbell, Office of the Attorney Re: Exhibit A to Resolution No. 03-3385	112003c-03
4	Financial Report	July through September 2003	To: Metro Council From: Casey Short, Financial Planning Director Re: Quarterly Report First Quarter FY 2003-04	112003c-04
5	Pay for Performance Audits	October 2003	To: Metro Council From: Alexis Dow, Metro Auditor Re: MERC Pay for Performance Program Audits	112003c-05
5	Power Point Presentation	October 2003	To: Metro Council From: Alexis Dow, Metro Auditor Re: MERC Pay for Performance Power Point Presentation	112003c-06