

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, December 16, 2003
Metro Council Chamber

Councilors Present: Rod Park (Deputy Council President), Susan McLain, Brian Newman, Carl Hosticka, Rod Monroe, Rex Burkholder

Councilors Absent: David Bragdon (excused)

Deputy Council President Park convened the Metro Council Work Session Meeting at 1:06 .m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, DECEMBER 18, 2003.

Deputy Council President Park reviewed the upcoming Council agenda. He spoke to Resolution No. 03-3396. They also talked about Ordinance No. 03-1029.

2. CONVERSATION WITH THE AUDITOR

Alexis Dow, Metro Auditor, said this was a continuation of the dialogue with the Council. She talked about performance auditing. She said she was responsible for performance and financial auditing. She noted a handout on performance auditing. Auditing was conceptual. She highlighted what performance auditing was, what it accomplished, compliance, achieving objectives etc (see meeting packet for details on performance auditing). She noted that an audit was independent. She said the audits tend to be pretty objectives. They look at management and program improvements. She noted generally accepted standards for doing their work. It was the objectivity of independence that was key to auditing. She noted some examples of performance audits she had done at Metro. She focused on what was the purpose of performance auditing. It was an independent assessment of how well a program was managed and met its goals. Objectives change based on the nature of the audit. Most of the time audits addressed all aspects, achievement of its goals, and the results it had hoped to achieve. She spoke to performance measures to judge if the program was meeting its goals. She talked about comparisons to industry standards. She detailed what were procurement practices and the necessity to look at follow up. She spoke to internal controls, checks and balances. She talked about professional standards the auditors followed called the "the Yellow Book". The main purpose of the professional standards was to make sure there was a cohesive set of rules to follow. She noted the uniqueness of performance auditing. They brought objectivity without having a bias. She reviewed methodologies used by auditors; compliance, benchmarking, analysis, and technical expertise. She spoke to the need for accountability within her department. She gave examples of performance audits that she had completed thus far. She noted improvements after audits were completed such as at Oregon Convention Center and the Openspaces program. She asked for feedback.

Councilor Monroe talked about the Oregon Zoo gift shop contract and asked if Ms. Dow would be reviewing this contract. She said they would look at this as a possible audit for the future but noted it was a relatively small contract. She suggested Mr. Jordan might want to look at profitability before and after the contract began. Councilor Monroe wanted to see how successful was the contract. Ms. Dow talked about contracting and profitability then and now. Councilor Burkholder said the question was what was the appropriate amount of resources to put into an audit. He spoke to the cost to various departments of an audit. He was trying to figure out what

was the appropriate amount to be spent on an audit. This also related to some feedback from department managers about their internal audits costs and resource requirements. These were two components of the cost issue. He asked how much do you audit? Ms. Dow said there were professional guidelines. The State of Oregon had standards for putting in Information Technology systems. She commented on the amount of departmental staff time it took for an audit. It was depended upon how organized was the department. If they weren't organized, it would take more departmental staff time. She said if the department was uncooperative, then the audit would normally take longer. Councilor Newman said he thought the auditor should look at programs that were well run as well as those that were not. Those that were not well managed should take precedent but programs that ran well should also be looked at. Councilor Newman asked about when she would be releasing her new audit plan. Ms. Dow responded February 2004. Deputy Council President Park said one of the objectives he didn't see included was the outcome of the Council goals. Were the actual goals and objectives of the Council being carried out? He urged Ms. Dow to included this as a goal. Ms. Dow said she thought that they were already addressing this goal but wanted clarity from the Council. She said, to the extent that there was a resolution or ordinance, they looked at compliance with the law. She asked for guidance on the list she had given the Council.

3. PERIODIC REVIEW – SLOPE CASE STUDY

Lydia Neill, Planning Department, said she was bringing this information forward as part of the record building for a possible Urban Growth Boundary amendment in June 2004. She had heard asked why 10% slope? She had put together several case studies. These were hypothetical sites. She said as the slope increased, it got more expensive to build and some efficiency was lost. Industrial users have certain requirements for building. You needed to have a certain size building to use a site efficiently for manufacturing. She spoke to increased costs and loss of efficiency as slopes increased. Industrial users couldn't compete as commercial users do. She gave examples of the differences. She noted a window of profitability that would drive industrial users to a certain site. She said 10% slope was probably on the high side. Councilor Monroe said 10% on a highway would be very steep. He would look for 6% or less. Dirk Otis, Vice President of Development for Trammell Crow Company talked about site selection. What did it take to put up the physical structure? Industrial land historically was the most inexpensive to accommodate living wage jobs. As the slope got steeper you couldn't get as much roof area. There was a wall-to-roof ratio that impacted cost. He spoke to the types of soil you got into when you dig out a slope. The idea was to keep it on the surface. Councilor Hosticka asked if they were talking about manufacturing "industrial". Mr. Otis said he was referring to a contiguous flat slab under a roof. He said Milguard Windows, Precision Cast Parts were examples of manufacturers about which he was speaking. Councilor Newman asked about going beyond the 10% slope. Ms. Neill said that Mary Kyle McCurdy, 1000 Friends of Oregon, had raised the issue. She said unless land was very scarce, there wouldn't be more than a 10% slope. Deputy Council President Park talked about visualization of the slopes. Councilor McLain talked about more than 10% slope. There were other areas that had different landscapes. The issue was what was still marketable. She gave examples of other cities that looked at slope differently. People asked could you do things differently? Mr. Otis said from a manufacturing component there were new horizons that they had to look at. Will companies find a way to work within that? Right now there was enough supply of land to grow these types of jobs. Councilor McLain talked about the definition of industrial and how that was changing over time. Mr. Otis spoke to companies that were struggling to find the right kind of sites. Ms. Neill said she would be sharing this with Metro Technical Advisory Committee (MTAC) as well. Andy Cotugno, Planning Director, said they were identifying the field of industrial lands. The resolution that Council just adopted used the 10% slope criteria. He said we needed to be particular about the kinds of needs we were trying to meet.

Councilor McLain reminded that most of those sites were being used by a different industry. She talked about the agricultural industry needs. Councilor Hosticka asked about sites that had undulations. Mr. Otis said from an operational perspective, you could move a knob into a hole. Deputy Council President Park talked about cut and fill to create a relatively flat piece of land. Mr. Otis said they maximized the use of the property. Ms. Neill talked about their look from a slope perspective.

4. GOAL 5 UPDATE

Chris Deffebach, Planning Department, gave an update on the Phase 2 of the Economic Social Environmental and Energy (ESEE) analysis for the Fish and Wildlife Habitat Protection Program. She provided a power point presentation (a copy of which is included in the meeting record). She suggested Council provide feedback on how they would like to see the results presented. She noted that all four of their review committees would be meeting together this Friday. She talked about the current schedule. Right now they were calculating acres for the non-regulatory side. The next time, January 13, 2004, they came to Council they would have a neighborhood notice for the Council to review. She spoke to Council direction from the most recent resolution, 03-3376. For their analysis purposes they used a Regionally Significant Industrial Area (RSIA) definition.

She talked about the regional significant public facilities such as universities, hospitals, cemeteries, jails, and school sites. Councilor Burkholder asked what they were coming back to Council with on regionally significant public facility? Ms. Deffebach said they were continuing to have that discussion and where these fit. What were they and where do they fit and finally when the allow, limit, and prohibit decision was made where did they fit? Councilor Burkholder summarized assessing these sites similar to RSIA's. Deputy Council President Park asked about the prison sites and what happened when these sites were converted. Ms. Deffebach talked about institutional master plans and changes over time. They had six options that they were comparing. The goal was to go from six to one option. She spoke to the vision statement; they had added a reference to the upland habitat. They had been defining the baseline conditions and current protection. They were looking at about 20% of the land being covered by Title 3 and the flood management areas covered an additional 14%. She spoke to the different standards these lands were subject to. Councilor Burkholder asked if they were mutually exclusive? Ms. Deffebach said yes. She noted non-regulatory tools versus regulatory tools. She said the non-regulatory side could apply to non-land use activities. They were beginning the work on the ESEE Phase 2 by starting off with a description of the non-regulatory approaches. She then detailed non-regulatory tools, protection, and restoration. Councilor Newman asked about the property tax values if they weren't able to build on certain areas of land. Dan Cooper, Metro Attorney, said the property owner had a right to get their assessment lowered. Councilor McLain talked about the pros and cons to that land. Ms. Deffebach addressed the challenges of regulatory options. She noted that limit was defined vaguely. They had tried to put further definition on lightly limit, moderately limit, etc. She talked about assumptions that they were putting together for discussion with the four advisory groups. Councilor Newman asked about the 2:1, 3:1 and 4:1 mitigation. Ms. Deffebach explained the assumptions of limit. Councilor Newman asked if the resource was already degraded. Ms. Deffebach said they tried to limit this to existing conditions. Paul Garrahan, Metro Assistant Attorney, said they couldn't expect them to restore beyond where the land existed currently. Ms. Deffebach talked about trade-offs. Deputy Council President Park asked about sites that had been previously restored and whether they could develop a part of that site. Ms. Deffebach said they had settled on a variety of criteria, factors to look at, and what this meant. The key to the work was translating this both quantitatively and qualitatively. They would start with acreage and work through the criteria. They were looking at all of the ESEE criteria as

well as other criteria such as Federal Endangered Species Act (ESA), Clean Water Act (CWA) and increment of additional protection. She spoke to funding sources. Councilor Hosticka asked about funding sources from both the public and private section. Ms. Deffebach said they had collected information on mitigation resources. When they come back in January they would like to spell out specifics of outreach efforts. Deputy Council President Park asked about property notification. He suggested a collaborative effort. Ms. Deffebach clarified who would get notices. Councilor McLain suggested clarification on page 9 but felt the presentation would be good to use for consistency.

5. COMPLIANCE REPORTING ON FUNCTIONAL PLAN

Brenda Bernards and Gerry Uba, Planning Department, talked about the second annual compliance report. She said the report talked about the modification made last December 2002. This report only talked about the new compliance items. She detailed specific jurisdictions' reports on several titles. She spoke to what was left to do by each jurisdiction (a copy of this report is included in the meeting record). She detailed each title compliance and issues of non-compliance. Councilors asked about timelines and compliance. She then talked about Title 7 compliance. No jurisdictions reports were in compliance. She spoke to the tables in the record. Councilor McLain asked about parking requirements for Pacific University. Ms. Bernard talked about minimum and maximum numbers. She continued explaining the tables. The rest of the chart noted if the jurisdiction was in compliance or where they stood in terms of compliance. She spoke to next steps; a public hearing was planned on January 29, 2004. The report would be distributed to the local jurisdictions with a notice of the public hearing. She said a resolution would be drafted after the public hearing. Councilor McLain suggested notification through the CPOs and neighborhood associations. Ms. Bernards said they would also be making a presentation to MTAC and Metro Policy Advisory Committee (MPAC). Councilor Burkholder said the one that was most important to him was Title 7. He thought that the requirements might be problematic or the issue was bigger than they could comply with. Deputy Council President Park talked about compliance with Title 7 as a resource issue. Title 7 was not considered a priority compared to what other things they had going. Mr. Uba talked about hearing from some jurisdiction that had contacted him about where they were in the process. The overall issue was resources. He spoke to the table he had just passed out (a copy of which is included in the meeting record). He talked about the deadlines for reporting. No jurisdictions had complied fully. He summarized compliance with Title 7. Councilor Burkholder said he felt this pointed out the critical need for leadership from Metro. He talked about budget discussions and the need to put resources in this area. They also had to look at what they had asked jurisdiction to do. Councilor McLain said everything that they had asked them to do, they had told Metro no. Then they agreed to the Task Force recommendations. She suggested putting some leadership and resources into this Title.

6. REGIONAL SOLID WASTE MANAGEMENT PLAN (RSWMP) CONTINGENCY WORK GROUP REPORT

Mike Hoglund, Solid Waste and Recycling Department, talked about the RSWMP work group. They had been meeting since July to lie out strategies to get to 62% recovery rate. They gave a power point presentation (a copy of which is included in the meeting record). He noted members of the Task Force and the report provided (a copy of which is found in the meeting record). Lee Barrett talked about the process for the work group. In the Spring they came to Council with some amendments to the Solid Waste Management Plan. Council directed them to develop some strategies to get to 62%. Second, he noted the work group charges and composition. They were coming back to Council today with the plan. He said they were at 54% recovery at the end of

2002. They had slipped 1% since 2001. The work group began in August; held eight meetings through December. The charge was to look at the business sector, building and demolition amounts. The work group studied what would and would not work. Details were contained in the report. He spoke to the requirement for all business to recycle certain materials. This would require an add package for additional outreach. Councilor McLain said they were looking at 12 years of experience. Mr. Barrett said increasing outreach wouldn't be enough. A way to get businesses to increase recycling was to put a mandatory program in place. He said it would take a lot of groundwork. He spoke to strategy 3, mandatory dry waste processing. This strategy would be a stopgap. Strategy 4, addressed the organics contingency strategy. He spoke to success rates of the four strategies. At their best by January 2005, they would just make the 62% recovery goal. They wanted to hear what questions Council had and what direction they should take. Mr. Hoglund said they would come back with some solid waste language to put in the RSWMP to implement the strategies. Council would adopt language to implement strategies. Councilor Burkholder asked about the franchise agreements. If they adopted these recommendations and pursued the requirements would these apply to the franchisees? Mr. Hoglund said the amendments would require they follow these recommendations.

JoAnn Herrigel, City of Milwaukie, Solid Waste Coordinator, said one of the questions jurisdictions had was how could we accomplish this mandatory recycling requirement. It needed continual reinforcement. The committee was supportive of mandatory recycling. If they increased outreach with the business sector, she felt they would be more open to participation. Local jurisdictions were interested in working with Metro. Mike Miller, Gresham Sanitary Service, said he was pleased with the composition of the committee. He felt the recommendations represented a good compromise. He felt the goal was achievable. The one recommendation that had the most discussion was Strategy #2. Part of their thinking was just throwing money at something would not get them where they wanted to be. Making a mandatory program without help might not meet with acceptance. There was a lot of work to be done with the local jurisdictions. These strategies were achievable. Councilor Hosticka talked about Strategy #2, and the additional \$500,000. Where would this money come from? Mr. Barrett said they were silent on where the money would come from. The committee didn't recommend tying it to the tip fee. Councilor Hosticka wondered if we could get estimates in increasing the system fee to cover the \$500,000. Mr. Barrett said they could try to come up with some information on this. Councilor Newman said the first three was regulatory and the final one was an evaluation. He felt the organics issue was open ended. Was this assuming further action on the Council? Mr. Barrett said it would assume that the two programs would be put into place this coming year. It was not a strategy itself. Mr. Hoglund said there was 196,000 tons of food waste going into the landfill. There was about one third from residential and two thirds from other. Councilor Newman asked what happened if we didn't achieve the 62%. Mr. Hoglund said they would be meeting with Department of Environmental Quality (DEQ) to determine this. DEQ would look at the level of effort and make recommendations. Metro helped to develop that goal itself. Mr. Barrett said they would talk with DEQ and talk to them about the level of effort. Mr. Hoglund talked about mandatory MRFing and the effects on the system. They were looking for Council direction about what language should be included. Councilor Monroe was concerned that mandatory was enforceable if you required all construction materials to be MRFd and required it from a landfill site. If they were going to make this requirement, he would suggest MRFing at another site besides a landfill.

7. CITIZEN COMMUNICATION

Dean Kampfer, said the transfer station franchises didn't preclude any contingencies that were before Council Thursday.

8. CHIEF OPERATING OFFICER COMMUNICATION

He reminded them of the Council retreat tomorrow at 1:30 p.m.

9. COUNCILOR COMMUNICATION

Councilor Newman said Thursday there was a tour of industrial land.

Deputy Council President Park talked about the ALCOA site. He had sent a letter to Port of Portland asking them to include the local jurisdictions. He had also asked the Port to not go forward until March 15, 2004.

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 3:44 p.m.

Prepared by,

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF DECEMBER
16, 2003**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	12/18/03	Metro Council Agenda for December 18, 2003	121603c-01
5	Memo	12/10/03	To: David Bragdon, Council President From: Michael Jordan COO, Re: 2003 Urban Growth Management Functional Plan Compliance Report	121603c-02
5	Table	12/15/03	To: Metro Council From: Geri Uba, Planning Department Re: Chart of 2002 Annual Functional Plan Title 7 Compliance Report	121603c-03
4	Power Point Presentation	12/16/03	To: Metro Council From: Chris Deffebach, Planning Department Re: Metro Fish and Wildlife Habitat Protection Program	121603c-04
6	Work Group Report	December 2003	To: Metro Council From: Marta Conkle McGuire, Waste Reduction and Outreach Division, Solid Waste and Recycling Dept., Re: Regional Solid Waste Management Plan Contingency Plan Work Group Final Report and Recommendations	121603c-05
6	Power Point Presentation	12/16/03	To: Metro Council From: Lee Barrett, Solid Waste and Recycling Dept., Power Point Presentation on Program to recycle 62% of waste, summary of Contingency Plan Work Group Report	121603c-06