

MINUTES OF THE METRO COUNCIL MEETING

Thursday, March 25, 2004
Metro Council Chamber

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

Councilors Absent: Brian Newman (excused)

Council President Bragdon convened the Regular Council Meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Charles Hegele, 10818 NW St. Helens, Portland, OR 97231 said he was a contractor who had done projects for Metro before. His company were hired a subcontractor for the Oregon City Transfer Station to work on the sprinkler system. They had requested information from Metro and had to wait along time to receive the information. They had done an additional \$6000 of work. The contractor had not paid them for that additional work. He was very concerned about the contractor and how he was operating in relationship to Metro. He felt that the issue needed to be looked in to, as this was not a good reflection of Metro. Council President Bragdon directed Bill Stringer, Chief Financial Officer, to look into the matter.

Zephyr Thoreau Moore, 2732 NE 15th Ave., Portland OR 97212 talked about protecting wildlife habitat and native vegetation. He said English ivy was an invasive plant. He urged Metro Council that before a property could be sold, that the invasive non-native plants must be removed. He talked about what would happen if this regulation were in place. He asked how we could proceed. Councilor Hosticka said he had invasive ivy on his land, he asked for suggestions on how to get rid of this. Mr. Moore suggested some techniques to get rid of the ivy. Councilor McLain said Mr. Moore had helped Metro clean up our own environment. She appreciated Mr. Moore's reminder. Councilor Burkholder asked if ivy was declared a noxious plant. Mr. Moore said yes it had been.

3. AUDITOR COMMUNICATION

Alexis Dow, Auditor, presented the Report on the Financial Statement Audit (a copy of which is included in the meeting record). She said each year an outside auditing firm must audit government entities. She noted Don Cox's group prepared the financial statements. Mr. Cox, Accounting Manager, spoke to the preparation of the financial statement. He highlighted what was different from last year's report. He recognized Karla Lenox, Financial Reporting and Control Supervisor, as the one who put the figures together. He also acknowledged other Metro staff that had contributed to the work. He said, for the first time the Oregon Zoo's financial statements were included in the report. He noted that the audit firm had acknowledged Metro's good work. Gary Homesly, Grant Thornton partner, prepared and discussed the audit. They had been pleased with the work of the Metro's Auditor as well as Finance/Accounting staff. He noted the statements that were issued. Ray Barlow, Grant Thornton Audit Senior Manager, gave an overview of the audit. He spoke to what was required in the audit. They were able to issue their

audit statement with a clean opinion. The only issue they had was related to budget over expenditures, which were disclosed in their report. He noted a significant deficiency involving internal controls. He explained further that deficiency and spoke to their recommendation (a copy of which is included in the report) to address this deficiency.

Councilor Burkholder asked about the insurance coverage. When they look at coverage did they compare it to risk? Mr. Barlow said Oregon Law required that they look to make sure insurance was in place but they did not evaluate whether it was too much or too little. He asked about the Metropolitan Exposition-Recreation Commission (MERC) reconciliation issue. Mr. Barlow said the nature of the business wouldn't create uniqueness nor should impact the reporting time. Councilor McLain asked about the recommendations and had the problem been repaired? Ms. Dow said, consistent with the Metro Code, management needed to respond to financial issues. MERC was now in the process of implementing Grant Thornton's recommendations. Council President Bragdon asked about previous audits. Ms. Dow said, with regards to the issue of bank reconciliation, this issue had come up a number of times throughout the last nine-year's that she had served as the Metro Auditor. Council President Bragdon asked if MERC had put procedures in place so this was not a reoccurring problem. Ms. Dow responded that they had put on additional staff to take care of this problem. She ventured a guess that this would not be a problem next year. Mr. Cox said they were currently receiving reports from MERC to watch to make sure the issue was taken care of. Ms. Dow summarized that the financial statements were prepared by Metro and audited by Grant Thornton. Grant Thornton said the financial statement audit represented a lot of work on both parts.

4. CONSENT AGENDA

4.1 Consideration of minutes of the March 18, 2004 Regular Council Meetings.

Motion: Councilor McLain moved to adopt the meeting minutes of the March 18, 2004, Regular Metro Council.

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

5. ORDINANCES – SECOND READING

5.1 **Ordinance No. 04-1037**, For the Purpose of Amending Metro Code Chapter 7.01 to Repeal the Sunset Date for Additional Excise Tax Dedicated to Regional Parks and Greenspaces Programs.

Motion:	Councilor Monroe moved to adopt Ordinance No. 04-1037.
Seconded:	Councilor Burkholder seconded the motion

Councilor Monroe said on March 28, 2002, the Metro Council passed an ordinance that provided funding for regional parks and greenspaces programs by increasing the excise tax on solid waste by \$1 per ton and dedicating that funding to the Regional Parks and Greenspaces department. The additional excise tax is set to expire on June 30, 2004. The funding was used for the following: maintain existing service levels for programs, Natural Resources Stewardship program to better manage the open space properties, environmental education programs, continuation of the Regional Trails program, and partially funding the capital renewal and replacement needs of the

department. A permanent funding source has not been secured and continuation of the \$1 per ton will provide necessary support for these programs. It is estimated that this action will provide approximately \$1.2 million for the Regional Parks and Greenspaces Department in FY 2004-05.

Council President Bragdon opened a public hearing on Ordinance No. 04-1037

David White, representing Tri-County Council and Oregon Refuse and Recycling Association, 1739 NW 156th Avenue, Beaverton, OR 97006 said he had handed out a newspaper article from the Oregonian (a copy of which is included in the meeting record). Two years ago Metro had voted on a dollar a ton for parks. Metro Council determined that they only wanted to do this for two years. This was a stopgap measure to enable them to find other funding. He said two years ago the solid waste industry was not in support of this measure. They didn't believe that the \$1.00 increase would be temporary. Council was here today to eliminate the sunset. He spoke to the proposed parks and solid waste budget and the plan to use solid waste money to fund not only parks but also other non-Metro operations. He noted Councilor Monroe's comment that they had not found any additional funding sources. He hadn't heard of any discussions about other funding sources. If you pass along this rate increase it was difficult for the haulers to remain competitive. He didn't believe that the public had bought off on the money that was dedicated to parks. He had suggested itemizing the bill. Lastly, local jurisdictions set rates representing taxes. It became increasing difficult for the solid waste industry to go to local jurisdictions for additional funding. He felt if Council eliminated the sunset date, more solid waste money would be applied to non-solid waste areas. Council President Bragdon said they had delayed the ratemaking ordinance until they had received input from the Rate Review Committee. Councilor Monroe spoke to what they had done to find additional funding for parks.

Council President Bragdon closed the public hearing.

Councilor Park talked about his original vote and his concerns about their current structure. The eastern portion of the region ended up paying more than they should. They were talking about rates issues and this might help the balance.

Councilor McLain said she had been working with the Rate Review Committee. They had been working with a model to have more efficiencies in the system. She spoke to their limitations of funding. There were times where Metro was trying to maintain all of their commitments. The public had told them that the acquisition of over 8000 acres was an important regional asset. They had not been successful in finding a new source of revenue. She believed that garbage was a universal service. It seemed to her that this was a universal fee that could pay for other public services that the Council was told by the public were important.

Councilor Burkholder talked about a tax being tied to a use. He had a personal problem with this. He felt this had led to a lot of poor decisions. Philosophically, restricting the use of dollars from a source to a certain purpose wasn't a good idea. They needed to have the flexibility to allocate those funds. The other issue concerning eliminating the sunset was the current economic conditions in Oregon. Oregon was still facing financial problems. He was comfortable with relying on the current resources they had to fund all Metro services. This was a prudent measure to take. He would be voting for this ordinance.

Councilor Park asked about the budget impact, did this ordinance continue funds being dedicated to the parks department? Was there a conflict? Dan Cooper, Metro Attorney, said the way the ordinance was structured it eliminated the sunset but did not allocate funds.

Motion to amend:	Councilor Park moved to amend Ordinance No. 04-1037 to extend the sunset date to 2006.
Seconded:	Councilor Hosticka seconded the motion

Councilor Park explained that by extending the sunset date to 2006, it would allow Metro to continue to look for funds. Councilor Monroe said he would be opposing the amendment and explained why. He had asked for this extension early on. He felt it was appropriate to have certainty. Council President Bragdon said he would be voting no on the motion as well.

Vote to amend:	Councilors Park, Hosticka, and Burkholder voted in support of the amendment, Councilors McLain, Monroe and Council President Bragdon voted no on the motion. The vote was 3 aye/3 nay, the motion failed.
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Vote on the Main Motion:	Councilors Park, Hosticka, Burkholder, McLain, Monroe and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.
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5.2 **Ordinance No. 04-1042**, For the Purpose of Amending Metro Code Chapter 5.02 to Amend Disposal Charges and System Fees

Motion:	Councilor McLain moved to adopt Ordinance No. 04-1042.
Seconded:	Councilor Monroe seconded the motion

Councilor McLain gave an overview of both Ordinance No. 04-1042 and 04-1043. She said the new ordinances were the work of the Rate Review Committee. They had scheduled a work session for April 6th. They would have a full discussion of the Rate Review Committee's recommendation. Staff had worked very hard with the committee and she felt they had good thoughts on how to improve the rate review model. Council President Bragdon said they were trying to link the rate with the budget making.

Council President Bragdon opened a public hearing on Ordinance No. 04-1042.

Ray Phelps, Willamette Resource Industry, complimented the leadership of Councilor McLain and further complimented Mike Hoglund, Solid Waste and Recycling Director, and his staff for their efforts. He was supporting this ordinance because it provided for full cost recovery. As a result there was an increased in the transaction fee and an increase in the disposal charge that may seem substantial. In fact it was not substantial. He talked about the history of the disposal fee. In order to continue to mirror Metro's tip fee they had to reduce cost and service. They would now be able to continue Metro's tip fee and improve their services as well as keep costs reasonable. WRI's tip fee would not go up as much as Metro's. He suggested that there was a rate increase that would kick in July 1 and that was the excise tax.

David White, representing Tri-County Council and Oregon Refuse and Recycling Association, 1739 NW 156th Avenue, Beaverton, OR 97006 said he also complimented the staff and Councilor McLain. He had in the passed raised some concerns and opposition to the ordinance. After talking to others, the industry could now support the ordinance.

Council President Bragdon closed the public hearing. He announced that there would be no final action at this meeting and that final action was scheduled for April 15th.

5.3 **Ordinance No. 04-1043**, For the Purpose of Amending Metro Code Chapter 5.03 to Amend License and Franchise Fees; and Making related changes to Metro Code Chapter 5.01.

Motion:	Councilor McLain moved to adopt Ordinance No. 04-1043.
Seconded:	Councilor Monroe seconded the motion

Council President Bragdon opened a public hearing on Ordinance No. 04-1043

Ray Phelps, WRI, complimented Councilor McLain and staff on their work. He supported the policy. As private operators they should pay their fair share. He was opposed to this ordinance in its current form. He supported the policy but he thought a lot of work had to be done on how to collect the money. He offered his assistance in rewriting the ordinance.

Council President Bragdon closed the public hearing. He announced that there would be no final action at this meeting.

5.4 **Ordinance No. 04-1046**, For the Purpose of Amending Ordinance No. 02-969B in order to Change a Condition on Addition of Study Area 59 (Sherwood) to the Urban Growth Boundary; and Declaring an Emergency.

Motion:	Councilor McLain moved to adopt Ordinance No. 04-1046.
Seconded:	Councilor Hosticka seconded the motion

Councilor McLain talked about the Urban Growth Boundary (UGB) decision made in 2002. They had made conditions on certain areas. They had brought this area in to use as a school site. The City of Sherwood and the school district recognized that they didn't need as much land as had been allocated. They were trying to correct this allocation. They were working through Washington County to carry out their plan changes.

Council President Bragdon opened a public hearing on Ordinance No. 04-1046 No one came forward. Council President Bragdon closed the public hearing.

Councilor Burkholder asked what was in Title 11 in terms of given guidance for size and location of schools. Mr. Cooper responded that when the Council did the UGB ordinance they attached commitments to connectivity between neighborhoods and schools. They didn't have guidance on "size". Councilor Burkholder said his concern was the use of the school site rather than the size. He was concerned that there was an artificial inflation of how much land schools needed. Councilor Park asked about the remaining area that would no longer be used for a school site. What was the plan for the remaining area? Ray Valone, Planning Department, said they had planned for a number of dwelling units for that remaining area, 314 units. Councilor Park asked about the use of the land for the school site versus the net units. Mr. Valone responded that after the net take-outs for roads, natural resources, etc., the net was 314 units. Councilor Park asked about the school plan and locational factors. Mr. Valone said they didn't have a location for the school yet. Council President Bragdon added that MPAC met and approved this ordinance without objection.

Councilor McLain said they tried hard to make conditions specific to each area. She urged support.

Vote:

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

6. RESOLUTIONS

6.1 Resolution No. 04-3432, For the Purpose of Authorizing the Chief Operating to issue a non-system license to Gray and Company for delivery of putrescible solid waste to the Riverbend Landfill.

Motion:	Councilor Park moved to adopt Resolution No. 04-3432.
Seconded:	Councilor McLain seconded the motion

Councilor Park said this was a food processing facility. He spoke to the license. The putrescible waste was what was left from cherries and other fruit. This allowed for more efficient use of fuel. He recommended approval. Councilor Burkholder added his comments about the product.

Vote:

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

7. CONTRACT REVIEW BOARD

7.1 Resolution No. 04-3437, For the Purpose of Awarding a Sole Source Personal Services Agreement Contract No. 925542 to Keith Lawton for Model Analysis, Technical Assistance And Advice in the Calibration Validation and Implementation of Transims at Metro.

Motion:	Councilor Burkholder moved to adopt Resolution No. 04-3437.
Seconded:	Councilor Park seconded the motion

Councilor Burkholder explained what was TRANSIMS. It was computer modeling. Twelve to fifteen months of work had yet to be done. Mr. Lawton had retired. This would allow Mr. Lawton to come back as a contractor. He spoke to Mr. Lawton’s knowledge and the reason why we would be bringing him back. Metro had very particular needs for this project. He urged support.

Vote:

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

7.2 Resolution No. 04-3438, For the Purpose of Modifying and Extending the Lease Agreement between Metro and Simex, Inc. Contract No. 924826.

Council President Bragdon announced that this resolution was held over until the April 1, 2004 Council meeting.

8. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordan, COO, said he had nothing to share.

9. COUNCILOR COMMUNICATION

Councilor Park said that they received an update that the transportation-funding package was moving through the federal legislature. It looked like good news. He spoke to some of the proposed specific projects. Councilor Burkholder talked about the \$10 million allocated for I-5 widening and \$12 million for freight improvements. He talked about additional projects. He also updated the Council on the Bi-State Committee recommendations and coordination efforts. There was bylaws set to be adopted, which would formalize the committee to a forum that responded to signatory agencies. Progress was coming along. Councilor Hosticka said MPAC had met last night and recommended that the Council approve Ordinance No. 04-1041 which had to do with setting agricultural policy.

10. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 3:36 p.m.

Prepared by

Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MARCH 25,
2004

Item	Topic	Doc Date	Document Description	Doc. Number
3	Audit Recommendation	March 2004	To: Metro Council From: Alexis Dow, Metro Auditor Re: Financial Statement Audit Management Recommendations	032504c-01
3	Year End Report June 30, 2003	June 30, 2003	To: Metro Council From: Grant Thornton Re: Schedule of Expenditures of Federal Awards and Reports of Independent Certified Public Accountants	032504c-02
2	Letter and flyer	3/25/04	To: Metro Council From: Zephyr Moore: Re: Invasive English ivy	032504c-03
4.1	Minutes	3/18/04	Metro Council Meeting Minutes of March 18, 2004	032504c-04
5.1	Oregonian article	3/22/02	To: Metro Council From: David White Re: Oregonian article "Metro panels OK fee hike to help parks"	032504c-05