

MINUTES OF THE METRO COUNCIL BUDGET WORK SESSION

Wednesday, April 7, 2004
Metro Council Chamber

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

Councilors Absent: Brian Newman (excused)

Council President Bragdon convened the Metro Council Budget Work Session Meeting at 1:37 p.m.

1. **Ordinance No. 04-1044**, For the Purpose of Adopting the Annual Budget for Fiscal Year 2004-05, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency.

Council President Bragdon said that Councilors could discuss budget amendment concepts.

Councilor Burkholder presented an amendment dealing with affordable housing (a copy of which is included in the record). After talking to the staff about the complexity of the work that needs to be done, including some work in the data resource work, staffing the reconstituted advisory committee (Affordable Housing Technical Advisory Committee (HTAC)) and then processing all the final reports from all the jurisdictions, he put together the proposal for two FTE. It includes one dedicated full-time equivalent (FTE) and various support and management positions totaling one FTE. The amendment transfers \$75,000 into the Planning budget, as a one-time funding need. They are looking at what will be the next step and don't yet know what that will be. That is what the whole next year is about, and determining Metro's role. One suggestion is to take the money from the General Fund Recovery Rate Stabilization account, which is money within the general fund. That account has approximately \$212,000 in it now that can be used at the Council's discretion with Council action. He felt it was an appropriate source for these FTE since it is a one-time expenditure and not an on-going need.

Council President Bragdon asked about whether the amendment would change the materials and services expenditures, in terms of any outside services that they may want to use. Councilor Burkholder said that materials and services was in a sense a reserve fund, if needed, if the reconstituted advisory committee needed to have some research work done for them. So there is money in materials and services still available for that, but not necessarily committed.

Council President Bragdon asked about the connection between the Blue Ribbon Committee that Councilor Burkholder is on now and the reconstituted HTAC. Councilor Burkholder said the Blue Ribbon Committee is a short-term gathering that the City of Portland has put together, focused on how to move the real estate transfer tax forward as a funding source for affordable housing for the region. They may come back and say they want to put it on the Metro ballot so that it is a regional issue, so that it is a regional issue instead of a particular city's. It is focused on how to find dollars for implementation, versus policy development. HTAC would deal more with policy, looking at goal achievement and planning for the future. HTAC is more under Metro's wing. Councilor Burkholder welcomed feedback.

Councilor McLain's first amendment included one FTE adback for affordable housing, which is the same number on Councilor Burkholder's amendment. Her package for Planning includes pretty much what the Council saw from the add package presented to the Council by Planning Director Andy Cotugno at the Convention Center. It gives her certainty that at least two projects that the Council has all agreed are important will be carried out in the next budget year. In addition to the affordable housing component, her amendment includes strengthening the Transit-Oriented Development (TOD) and Centers program, and makes sure there is enough money for the 2040 Big Look work. She also included 0.4 FTE for the Fish and Wildlife Habitat work to update the Goal 5 map and maintain the habitat inventory map. She will prepare a written description on this for next week's meeting. She said planning is Metro's major task based on the charter, and this barely covers what Metro needs to do for regional planning for the next year. She also said that the Planning department was forgiven the Public Employees Retirement System (PERS) reserve. She referred to leaving enough money for that department to pay for its PERS reserves.

Councilor Burkholder asked about re-allocating funds for it. Councilor McLain said there are three ways to cover the cost. One is to look for contingency that would cover it, another is to look at new funds, and another is to take it in small parts from various places. She has not decided from where she will take it. She said she wants to talk to the other Councilors before she decides that.

Councilor Burkholder asked about the Big Look (15-20 years out) and what it could include. He asked about fossil fuels depletion, global warming, etc., and how we plan for the unknown items. Mr. Cotugno said that it is possible to look at various premises that can be evaluated (e.g., if the cost of fuel increases, what is the impact). Councilor Burkholder wants Metro to have a *Big Look*, including conservation of resources and sustainability. He wants to make sure Metro looks at these key issues. Mr. Cotugno said the process itself should uncover the issues that need to be tackled. He said it is a policy process to agree on what needs to be discussed.

Councilor McLain presented another Planning amendment for the Planning manager position previously held by Mike Hoglund (Council President Bragdon's proposed budget had funds for that position in the general contingency fund.) That person would be managing three teams, and Councilor McLain thinks Metro needs someone in place that would be part of the strategic planning. So she wanted to discuss the timing of that issue and what the Council wants to achieve with that manager, especially in regards to the goals of the strategic planning.

Councilor McLain suggested three ideas for solid waste amendments and requested opinions, so she could forward the one that the Council liked the most. She referred to the resolution the Council passed last year in support of Metro's Environmental Action Team's (ENACT) and said she is confident that the Council meant that it was important to work through sustainability issues in the agency. The new proposed budget cuts that program back by half. It had been as high as \$90,000, and at \$47,000 is just a skeleton budget, just even for the solid waste-type programs.

Her first of three ideas deals with ENACT grants and technical assistance for sustainability projects within the Solid Waste department. She referred to \$6,000 spent on a report done last year that looked at Metro facilities with 50 percent of less recycling and ways they could improve recycling. She felt that was money well spent. Even though they were not solid waste facilities, the study dealt with recycling, so that is a solid waste function. E-waste is one of the issues being addressed and is important given the growing discarded computer hardware accumulation. She is considering three different approaches to funding. One is to pump up the Solid Waste dollars for

ENACT. Another is to get other departments to have money to do sustainability projects. A third is to put an FTE or a portion of an FTE to work on sustainability considerations in Metro contracting in Solid Waste and other departments. Councilor McLain will be talking with Metro Chief Financial Officer Bill Stringer about the position. If the position is to deal with sustainability across the agency, then they would need to make sure the funding is such that it will allow that. The new position would, in part, make sure Metro is buying recycled materials. She has different amounts for the position, but it ranges from \$47,500 to \$90,000. Since \$90,000 is the most that has ever been given to that program, it would not represent an addition, but rather maintaining the previous level of funding and maintaining the goals of the resolution, not adding to it.

The final amendment Councilor McLain proposed is regarding the compost bin sales. She said that program is the only program that met its Regional Solid Waste Management Plan (RSWMP) goals for the first 10 years in the first 10 years. It wasn't the full goal, but it was the most successful program for meeting the RSWMP goals. She said she would bring figures next time that indicate how many bins had been sold through the life of the program, and how many people are moving into the region every year. Surveys have shown that people are buying a second bin, because they left the first bin with the household they sold, and they want a new bin for their new house. We had more than 100,000 calls on composting bins on our hotline. She does not think we've met the need. She's looking at adding less subsidy to the program and charging \$30 or \$35 dollars per bin, instead of \$25, how much would that bin and the program itself cost Metro.

Councilor Monroe agreed that the bin program is a big program that puts Metro on the map and they are visible in many yards. It characterizes what Metro is trying to do in terms of re-use, recycling and renewal. He also feels Metro should not eliminate the program.

Councilor Burkholder asked for clarification. He thought the bin sales were still in the proposed budget, but they were not.

Councilor Monroe talked about the Oregon Zoo's \$1.7 million of deferred maintenance that is growing every year. He said it is bad business management practices to allow that problem to continue and to grow. One of his ideas is to eliminate the excise tax on admissions, which would give the Zoo about \$400,000 to \$450,000 per year, and require the Zoo to use it on deferred maintenance. He said it might be more straightforward to give them a set budget number to use on maintenance (crumbling roofs, asphalt failing, etc. that total approximately \$1.7 million). He's going to ask for \$300,000 per year to begin attacking that problem on a prioritization basis. Even at that amount, even five years from now, Metro would be better off, but not caught up totally with the need. It has to be excise tax money. They will need to discuss if it is part of the \$2 that the Council President has proposed, or additional.

Councilor Park asked Mr. Cotugno about the numbers for the Big Look and when the dollars need to be transferred. Winding up Goal 5 work and the current urban growth boundary (UGB) expansion, Metro has some shifting of personnel, but he was not sure when the actual dollars had to come on line. He asked if it is this next fiscal year, or the following. Mr. Cotugno said there is need for some research dollars in year one, and in year two outreach money for brochures, polling, mailing, etc. would be needed. The research could be \$150,000 to \$500,000.

Councilor Burkholder asked about postponing the update of the Regional Transportation Plan (RTP) in order to make sure we get some of the other work done. The RTP is not due to the state until 2007. It would free up talent such as Tom Kloster in Planning. Andy Cotugno said he could

prepare an amendment. Councilor Burkholder agreed that he would propose a Council amendment.

Council President Bragdon wanted to make sure Councilors are getting the budget amendment support they need.

2. Councilor Communications

Councilor Burkholder said he is working with Michael Wetter, Senior Advisor to the Council President, and Metro Chief Operating Officer Michael Jordan on strategic planning. They may be coming forward with a request from contingency or reserve for Planning. They are considering two all-day retreats to work on strategic planning, without interruption. He proposed Tuesday and Wednesday, June 1-2, 2004. They discussed various date possibilities and having unrestricted time without interruptions. Council President Bragdon said he felt it was really worth doing it, but that it was just a matter of when.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 2:09 p.m.

Prepared by,

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ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 7, 2004

Item	Topic	Doc Date	Document Description	Doc. Number
1.	Affordable Housing Amendment	4/6/04	Amendment to FY 2004-05 Budget from Councilor Rex Burkholder for 2 FTE for affordable housing work	040704cbudget- 01