

MINUTES OF THE METRO COUNCIL MEETING

Thursday, September 9, 2004
Metro Council Chamber

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

Councilors Absent: David Bragdon (excused), Carl Hosticka (excused)

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

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Les Poole, 15115 SE Lee, Portland OR 97267 shared a situation which he would like to have Council consider at a future Council meeting. He noted that local jurisdictions that came to Council on issues of land use were often limited on their environmental analysis prior to their requests. He hoped that Council would make a requirement that the jurisdiction make at least an environmental analysis before Council considered the land use issue. He talked about the City of Milwaukie ignoring environmental impacts. Deputy Council President Newman said the Milwaukie City Council would be making a recommendation on September 23rd. It would then be taken up with the Council at a future date. Councilor McLain talked about public hearings on Goal 5, which would include the public comments January through March 2005.

3. OREGON CONVENTION CENTER BUSINESS UPDATE

Don Trotter, Metropolitan Exposition Recreation Commission (MERC) Chair explained what the seven-member commission did. Mark Williams, MERC General Manager, updated the Council on the expansion of the Oregon Convention Center. The facility generated nearly \$8 million in food and beverage over the past year. They held 569 separate events, an increase of 25%. There had been a 60% increase in attendance. He further detailed some of the benefits of the new facility. He talked about their first annual Green Report. They were working to seek Leadership In Environmental and Energy Design (LEEDS) certification for sustainability. He noted some of the improvements and upgrades to the facility. He said the expanded Oregon Convention Center (OCC) was on a national trade publication cover. It was featured in July 2004. He presented the Council with a framed version of the publication cover. Councilor McLain asked about new events with the larger space. Jeff Blosser, OCC Director, talked about the additional convention business. It really helped the revenue side of the picture. The expansion of additional shows had also helped. Third, the new ballroom had provided a marketed improvement in more sophisticated events. Councilor McLain asked about Expo events. Mr. Blosser said Expo had pretty much the same events they had previously. He felt light rail would help Expo. Councilor Burkholder asked about the report on the economic impact from the convention center. Mr. Blosser said they had seen over \$100 million difference with the new expanded facility. They were starting to see groups come because of the expanded space. Councilor Burkholder emphasized that the purpose of the expansion was to bring in new conventions. He spoke to the investment and return. Councilor Park talked about the Far West Nursery Trade Show and asked

if there were additional expanded shows. Mr. Blosser said the Home Improvement Show had used the expanded space. They had been able to do more than one show at a time with the additional space.

4. 4th QUARTER FINANCIALS

Casey Short, Financial Planning Manager, summarized the results of the Fourth Quarter report of the 2003-2004. He noted items related to last year, first, there was a question that had arisen about the number in the budget on money for the convention center. Second, he said the general fund balances was considerably higher than what had been anticipated. It was primarily a result of under spending. Third, Tax Supervision Conservation Commission (TSCC) had sent a letter; grant funds were added to the Parks Capital fund, which created a technical violation. Lastly, quarterly reports were on line on the website. They had cut down significantly on what they had printed.

Mr. Short then reviewed the report itself. He explained that the report was based on the second accounting close. There were a few actions that took place after the close in August. He talked about the cost allocation plan and that it was adjusted after the second close. He reviewed the transmittal letter. Excise tax came in higher than budget. The revenues were on the high side. Departments had preformed better this year. He said they had expended about 90% of the budgeted money. He explained why there was a change in the expenditures. He noted the Public Employees Retirement System (PERS) reserve, which was about 2.5 million. He detailed revenues and expenditures for each department. OCC had shown good results throughout the year. Expo had had an off year with a budget short fall in food and beverage. Portland Center for the Performing Arts (PCPA) was right at budget. He noted a spike in the Zoo budget in April. He then reviewed solid waste and recycling expenditures and revenues. Operating budgets for the Council Office and Public Affairs contributed to the under spending. He reviewed the Planning fund. He also detailed the Parks Department revenues and expenditures. He pointed out that the Capital Improvement Plan (CIP) in Parks was a good bit higher than in previous years. Councilor Park asked about Glendoveer Golf Course and why we were below projections. Kathy Rutkowski, Budget Manager, said they received 44% of gross revenues on green fees. The green fees were down. Mr. Short said it was tied to activity not a set amount. Councilor McLain said besides the 44% of the greens, there were also things that had to be fixed and were being improved. Ms. Rutkowski said, correct.

Overall MERC revenue was at 93% of budget. Following the second closing they had received hotel motel tax. He detailed where that tax would go. He talked about the Visitor Development Initiative (VDI) fund, which was in danger of going away next year. He talked about PCPA's government contribution. The City of Portland had pledged to fill the VDI bucket to provide the hole in PCPA. They had booked that money as a receivable. They had not yet received the money from the City of Portland. The enterprise revenue for MERC as a whole was about 95%. He talked about fund balance of MERC.

Councilor Park asked about the assumption of receiving the City of Portland money for PCPA. Mr. Short said they assumed the money would be received. He talked about the Zoo, the PERS reserve and that the Zoo would be about \$200,000 short. He noted attendance revenue and why it was down. He talked about the deal with ARAMARK and that it was working but they were virtually the same as last year. Education programs had done the best they had ever done but were still down. He spoke to excise tax revenue from the simulator rides and the winged wonder exhibit. Councilor McLain asked about the increase in water expenses. She felt there should be some effort to negotiate a better deal. She suggested cost savings such as conservation efforts.

Councilor Burkholder said the City of Portland was looking at removing all of excise tax on sewer and water charges. Had anything happened? Mr. Short said he would check on this issue. Councilor Park asked about the increase water expense. He wondered whether it was water going in or water going out. Mr. Short said he didn't know but would find out.

Michael Jordan, Chief Operating Officer (COO), said they had not gone into direct negotiations with the City to lower costs on water and sewer but they were looking at any possible savings. He talked about managing storm water. Mr. Short talked about the status of the general fund. The most significant issue was the unrestricted ending fund balance. He summarized spending versus appropriations. He said we were also doing better with our capital projects. Councilor McLain suggested getting the \$98,000 VDI issue on a work session as soon as possible.

5. CONSENT AGENDA

5.1 Consideration of minutes of the August 19, 2004 Regular Council Meetings.

Motion: Councilor Monroe moved to adopt the meeting minutes of the August 19, 2004, Regular Metro Council.

Vote: Councilors McLain, Monroe, Park, and Deputy Council President Newman voted in support of the motion. The vote was 4 aye, the motion passed with Councilor Burkholder abstaining from the vote.

6. ORDINANCES – SECOND READING

6.1 **Ordinance No. 04-1057**, For the purpose of amending Metro Code Chapter 5.02 to authorize the Chief Operating Officer to designate certain recyclable materials that can be accepted without charge at Metro transfer stations and to delay repeal of certain payment exemptions for acceptance and collection of household hazardous wastes.

Motion:	Councilor Monroe moved to adopt Ordinance No. 04-1057.
Seconded:	Councilor McLain seconded the motion

Councilor Monroe introduced Ordinance No. 04-1057. He said, although current practice at Metro facilities was to accept source-separated recycling loads free of charge, the Metro Code required a minimum load charge, because of the market value of source-separated recyclables and Metro's mission to encourage recycling. This ordinance modified the Metro Code to conform to current practice and accept source-separated loads at no charge. In 2001, Metro Council adopted an ordinance to accept household hazardous waste (HHW) at no charge for a period of three years (the previous fee was \$5 per 35 gallons). The fee waiver was intended to reduce stockpiles of household hazardous waste and encourage proper disposal. The current update of the Regional Solid Waste Management Plan (RSWMP) may identify new policies for HHW that would affect fee collection. This ordinance would extend the sunset period for the fee exemption from Dec. 31, 2004 to Dec. 31, 2006 in order to match the time frame for the RSWMP process. He urged support.

Deputy Council President Newman opened a public hearing on Ordinance No. 04-1057. There were none. Deputy Council President Newman closed the public hearing.

Vote:

Councilors Park, Burkholder, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed.
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6.2 **Ordinance No. 04-1058**, For the Purpose of Amending the Putrescible Solid Waste Tonnage Acceptance Limit in Solid Waste Facility Franchise No. F-005-03 Issue to Willamette Resources, Inc.

Motion:	Councilor Monroe moved to adopt Ordinance No. 04-1058.
Seconded:	Councilor McLain seconded the motion

Councilor Monroe said Willamette Resources, Inc. (WRI) had requested a one-time, two-year long 5% increase in its putrescible waste tonnage authorization (an increase of 3,250 tons). Metro Code allowed the Chief Operating Officer (COO) to authorize such a request; however the COO has determined that, due to technical requirements, WRI was not eligible to receive such an authorization. The application of Metro Code 5.01.131 since its adoption in 2001 had resulted in unintended inequities between transfer stations, as evidenced by WRI's ineligibility to qualify for an increase that other transfer stations were eligible to receive. This ordinance would allow the 2-year increase for WRI for Metro fiscal years 2004-2005 and 2005-2006. The budget impacts for Metro were as follows: Net cost of diverting the tonnage would be \$27,000 and a decrease in Community Enhancement Fees estimated to be \$1,625 per year. He urged support.

Deputy Council President Newman opened a public hearing on Ordinance No. 04-1058

Ray Phelps, Willamette Resources Inc, 10295 SW Ridder Road, Wilsonville OR 97070 thanked the Council, the COO and the Mr. Hoglund for helping them with this solution.

Deputy Council President Newman closed the public hearing

Councilor McLain said she would be voting yes. She wanted to make sure that this did not give something special to one vendor. She felt this followed code. Councilor Burkholder asked Mike Hoglund, Solid Waste and Recycling Director, about the impact on our operations. He wanted to be clear on the net effects, he wanted to know the other sources that would make Metro South revenue whole. Mr. Hoglund said the other sources would be our reserve or other collection processes.

Vote:

Councilors Park, Burkholder, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed.
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7. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordan, COO, said the Zoo Director was in audience. There had been a question about water. Tony Vecchio, Zoo Director, said they don't know yet as to whether it was water or sewer. He said they had not had a great increase in water or sewer but were given inaccurate information about what the rates would be initially. Councilor McLain talked about needing to work with the City of Portland to reduce costs. She suggested conservation. Mr. Vecchio said the Green Team's conservation efforts had been phenomenal. They were working closely with Ron Carley from the City of Portland on water run off. They had a lot of projects that would save sewer costs.

8. COUNCILOR COMMUNICATION

Councilor McLain said they were working on the Regional Solid Waste Management Plan (RSWMP). There would be opportunities for council to talk with citizens about solid waste issues. She detailed some of the "Let's Talk" opportunities.

Councilor Park talked about the Metro Transportation Improvement Plan (MTIP) 150% list, which had been released today.

Councilor Burkholder talked about Car Free Day. September 19th they were celebrating alternative transportation.

9. ADJOURN

There being no further business to come before the Metro Council, Deputy Council President Newman adjourned the meeting at 3:02 p.m.

Prepared by

Chris Billington
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER
9, 2004**

Item	Topic	Doc Date	Document Description	Doc. Number
4	Quarterly Report	April through June 2004	To: Metro Council From: Casey Short, Financial Planning Manager Re: Quarterly Report Fourth Quarter FY 2003-04	090904c-01