

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, September 21, 2004  
Metro Council Chamber

Councilors Present: Rod Park (Presiding) Susan McLain, Carl Hosticka, Rex Burkholder

Councilors Absent: David Bragdon (excused), Brian Newman (excused), Rod Monroe (excused)

Councilor Burkholder convened the Metro Council Work Session Meeting at 2:10 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, SEPTEMBER 23, 2004.**

Councilor Burkholder reviewed the September 23, 2004 Council agenda. No one had questions.

### **4. LEGISLATIVE AGENDA**

Randy Tucker, Public Affairs and Government Relations Department, said he was here a month ago. He wanted to follow-up with that discussion. Council had more concepts to look at. He spoke to Measure 37. Both supporters and opponents had bought television time. He had spoken to the State Land Use Review committee. It was uneventful excepted the chair raised an objection that the Metro Council may oppose the concept of rural industrial outside the Urban Growth Boundary (UGB). He would be on a work group representing Metro at the table. He said that the committee was closing up shop on October 1<sup>st</sup> There would be no committee measures. This was the second of four sessions. He wasn't asking the Council to adopt any legislative concepts today. He provided a table (a copy of which is included in the meeting packet). First, he asked for feedback on the headquarters hotel funding. He wanted a sense of where this might fall in the scheme of priorities. They would be seeking \$20 to \$25 million for the headquarters hotel. Councilor Hosticka asked if we were looking for money for other things? Mr. Tucker said there was a concept, which had to do with Parks funding, presented at the last meeting. This parks funding would not compete with the hotel funding. Councilor McLain said this Council had been supportive of the headquarters hotel. She felt it was important. She spoke to timing. She talked about how the headquarters hotel would impact the rest of economy. She suggested Mr. Tucker update this information. Jeff Blosser, Oregon Convention Center (OCC) Director, said he would get that information to Council. Councilor Burkholder asked who would be championing this effort. Mr. Blosser suggested getting the state and the city both involved. Mr. Tucker said he wasn't sure who would be the primary lead. He had spoken to Joe D'Alessandro, Portland Oregon Visitors Association President. He indicated interest as well. Mr. Tucker talked about putting together a coalition. Councilor Burkholder talked about the Westside light rail bonds. Mr. Tucker said there were pots of lottery and non-lottery money that could be explored.

Mr. Tucker then talked about land use, suitability of land for inclusion in UGBs. Dick Benner, Senior Attorney, said this was not an idea that he would suggest Metro push on its own. If there was an attempt to change the law, he suggested letting someone else take the lead. There was a flaw in the language itself. He talked about the most recent UGB decision in 2002. He spoke to Greg Malinowski's argument about farmland. He noted the flaw in the language. This issue was now before the Court of Appeals. Because of the language, adequate amount of land was currently in the language and Metro could lose because of this language. Councilor Burkholder suggested a change in the language. Mr. Benner said yes. Councilor McLain said she didn't want

to do piece meal revisions. If there was going to be a review of the UGB issues, she would rather we didn't bring this issue to the table, Mr. Benner agreed. Mr. Tucker said they would be down in Salem discussing the 5-year periodic review issue. It would be a part of a larger discussion on UGBs in general. If there was a larger scale discussion about UGB, this was one piece we should keep in mind. Councilor McLain suggested that we should play a larger role in the UGB discussion. We should be putting some feelers out there. She suggested talking about short and long term issues on UGB in the Big Look discussion. Mr. Tucker said they had a set of things that were ready for Council review. They would be meeting tomorrow to talk about how everything fits together on land use concepts. He would be bringing this back to Council to talk about broader concepts on land use. Councilor Hosticka said he would prefer not to do things piece meal but thought this was an important piece. Councilor Park suggested looking at this in terms of the guiding principles. They had been through this twice. He urged using the guiding principles to see how it would affect other UGBs. He talked about the industrial lands issue and where it worked and where it didn't. Mr. Tucker asked if they had any other questions on the concepts presented in the work session packet. He talked about overlapping jurisdictions such as appeals of urban reserves.

Mr. Benner said Council had discussions about planning new areas before the area came into the boundary. How can planning happen now? He talked about regional problem solving which used to have money assigned to it. The statute was still there. They talked about making a pitch for some money to support a regional problem solving effort. Councilor McLain supported this effort. Councilor Park asked about participants. Mr. Benner said it had to be at least two entities. Councilor Park talked about establishing an urban reserve where they would be allowed to use a different method, which allowed metering. Mr. Benner said Metro could develop its own process to expand the boundary. Councilor Park felt this idea would get better buy in. Mr. Benner said Council could establish a process to bring land in. Councilor Park said he would not want to go on a year-by-year process but establish performance measures as indicators of when to expand.

Mr. Tucker talked about Rural Reserves as a discussion piece. Councilor Park said he was not hot on this idea and explained why. Councilors talked about marginal lands. Councilor Hosticka said it was an interesting concept but a lot of questions were raised. Did Council have the power to designate rural reserves? Mr. Tucker said this was intended to start a discussion. He then talked about the transportation-funding packet. It was being discussed vigorously. Councilor Park talked about the issues around the Transportation Planning Rule (TPR).

Mr. Tucker said he also had a question about whether Metro joins coalitions. He noted a memo he had drafted. There was a threshold question about whether Metro should ever join coalitions. Councilor Park felt the discussion was relevant. They might be reaching out to other coalitions. Mr. Tucker spoke to formal versus informal coalitions. He noted examples of formal coalitions such as the Housing Allowance coalition. He laid out a set of questions, a set of filters. Councilor McLain said the memo was a good start. She said they had utilized informal coalitions on an ongoing basis. Councilor McLain said they would expect Mr. Tucker to bring these suggestions forward to Council so they could discuss it. Mr. Tucker said he would bring in materials for the Housing Allowance Coalition to use as an example.

## **2. FY 2005-06 FINANCIAL ASSUMPTIONS**

Kathy Rutkowski, Budget Manager, said she was presenting the financial assumptions that they would be using for the 2005-06 budget. She spoke to the 14-page report, which lists all of the assumptions. There was also a draft resolution, which would come before Council at the end of October. She said the report was divided into four groups. She talked about salary adjustments as

the first group. She spoke to Cost of Living Adjustment (COLA) and step increases for the union groups. They would be recommending using an average of 10 year CPU. Councilor McLain asked about how this effected bargaining. Kevin Dull, Labor Relations, explained how they would utilize this information. Ms. Rutkowski talked about budgeting for the step increases. She said they would be recommending an average of 2.5% COLA for 2005-06. She then talked about the non-represented group and the recommended assumptions. Councilor Park asked about COLA assumptions for AFSCME and bringing back a range instead of 2.5%. Councilor McLain said they were trying to get a realistic view so the budget group could get to work. Councilor Park asked about the timing issue for the strategic planning budgeting process. Ms. Rutkowski said they hoped they would get a head nod by the end of September. She talked about non-represented merit and the possibility of bonus. She noted assumptions for the salary pool which included a consistent 2.5% COLA and 3% merit, so they would recommend a total of 4.5%. Councilor Park asked about general fund excise tax percentage. Ms. Rutkowski said she thought it was about 30% for excise tax.

She then talked about fringe benefits. She noted the benefits they had to pay. She was recommending using the existing rates. Health and welfare was the first big issue. She spoke to the health benefit cap. She noted the collective bargaining cap with LIU. They recommended using that cap. She talked about Public Employees Retirement System (PERS), its history and what they were currently budgeting. She spoke to the legal processes. She noted the four recommendations to continue with the existing employer rate and the reserve. Councilor Hosticka asked how much was in the reserve currently. Ms. Rutkowski responded to his question. Councilor Burkholder asked about options in terms of spending the dollars. Mr. Dull said they had agreed to pick up the employers PERS portion. Casey Short, Financial Manager, said they were legally bound until 2006 to continue paying the employee portion. After that the Council could change this for the non-represented. Ms. Rutkowski talked about investment losses in PERS. It was too soon to tell what the increases would be to Metro to begin recognizing some of the losses. They would be recommending a 24% increase in PERS.

She then talked about general revenue estimates would be an increase of 2.5%. She noted the excise tax forecast and the dedicated per ton excise tax to parks and the convention center. Councilor Burkholder questioned the automatic inflators. Ms. Rutkowski talked about the allocation of excise tax. She noted inflationary factors for other costs. She noted contingencies and the guideline for a 4%. She spoke to special appropriations including elections, RACC, and Water Consortium dues. This did not assume any ballot measures. Ms. Rutkowski said that there was a minor cost associated with a ballot measure – the more measures on the ballot, the cheaper the cost.

Public Affairs was recommending setting aside \$150,000 for the upcoming year. Central service budget will include Council's recommendations from last week. Council then discussed Capital Improvement Plan (CIP) and the change in threshold.

Councilor Hosticka asked about reserve balances and whether this was part of this discussion or separate assumptions. Mr. Short said he had been looking at fund balances. Councilor McLain said they had been told that staff was trying to use the guiding principles in the strategic plan. Ms. Rutkowski said the final assumptions would play in when the departments had identified their programs and activities.

### **3. HOUSING TECHNICAL ADVISORY COMMITTEE (HTAC) MEMBERS AND CHARGE**

Gerry Uba, Planning Department, provided background information on HTAC. He revisited what was happening before the HTAC formation. A copy of this background was included in the meeting packet. HTAC recommended Regional Affordable Housing Strategies (RAHS), which were then included in the Functional Plan and the Regional Framework Plan. He spoke to Metro's role in affordable housing. Title 1 had had a big impact on affordable housing in this region. Title 7 had created awareness across the region. The region was aware of what affordable housing meant. Many were trying to figure out what needed to be done to increase affordable housing in the region. They also knew what it took to build affordable housing. He felt the awareness was a major success. They didn't know about the number of units that had been built. They would be bringing that to Council when they had that information. Many local governments had pointed out that they lacked resources for affordable housing. They couldn't implement some of the strategies because of their tax base. They also indicated the job/housing imbalance made it hard to have affordable housing. The City of Portland was the only jurisdiction that had adopted all of the strategies. The City of Beaverton had also made a lot of progress. The rest of the jurisdictions had considered the strategies but not adopted the strategies. He said the smaller jurisdictions needed to be encouraged to continue to consider affordable housing even with limited resources. The local governments needed to be educated as to how they could join with private sector to create affordable housing. He then noted a Summary Report of the Regional Blue Ribbon Committee on Housing Resource Development. This report had some good suggestions for affordable housing.

Mr. Uba suggested Council needed to consider Metro's primary role in affordable housing. Should we be designing standards, developing reports to help jurisdictions join with the private sector or should we implement regulations for affordable housing. He suggested that the membership on the new HTAC should be considered. He noted additional members such as housing developers and title company representation. He spoke to the size of the committee and what the charge should be for the new HTAC. Finally, he would like the Council to give direction on identifying new HTAC members as well as the charge.

Councilor Burkholder said he wanted to have some time with the Council to talk about the charge. The Council had expressed frustration with the voluntary actions that had been put out there. It came down to deciding what was Metro's role. He noted an email he had sent asking about the role and the outcome they wished to achieve. What did they want out of the group, which should then influence who they wanted to invite. There was a wide range of things Metro could do (a copy of the email is included in the record). Councilor McLain complimented staff on their past work. Her biggest problem was she wasn't sure we wanted to go down that road again. They had a Functional Plan that had been acknowledged. She felt there needed to be a reenergizing around Title 7. She was concerned about the resources on an issue that they had discussed thoroughly. She felt Councilor Burkholder was on the right track about having the Council discuss this first before they charge the staff with any task. She felt they needed to renew the vows, saying that this Council had a commitment to this issue. She felt this was really important and that they really cared about the issue. They didn't want to do the same thing as they had done previously. Councilor Hosticka said a certain amount of the reason why things hadn't been successful was because there wasn't a political will. He thought it was a good idea to check to see if they had the commitment. Councilor Park said he wanted the committee to be asked how other Metro initiatives could affect housing affordability. He noted the livability of the region and that affordability issue may not be something they could accomplish. Councilor Park said he thought the real estate industry should be represented on the committee.

## **5. CONTINUED DISCUSSION OF GOAL 5 ISSUES**

Councilor McLain said when they talked last week about Goal 5, they didn't really address Tualatin Basin issues. She suggested that the Council address any concerns they had about the Tualatin Basin program. She said most of the issue papers weren't new. It was the Tualatin Basin's version of issues that had been raised previously. Councilor Burkholder expressed concern about the desire to have land that was taken out replaced in the same vicinity. The other issue was not allowing any transfer development rights on adjacent properties. He felt that they needed to allow flexibility without automatically expanding the boundary.

Chris Deffebach, Planning Department, said the Steering Committee talked about the acreage, 1500 acres and decided to keep that number as a starting point. Councilor Park questioned that number. He talked about needing a non-command and control program. He suggested focusing on the step-by-step process of how you get there. Do you get more out of the program by educating a lot or regulating a few? You needed to understand the principle you were working off. He gave an example of storm water. Councilors talked about the product, what did you get, how much could you guarantee. Councilor McLain talked about issues that had been raised about collecting the dollars. Councilor Park asked about loss of capacity. Was it what the market would provide? Councilor Burkholder wondered if there was a lost opportunity to buy up easements for critical habitat. Then you get away from the takings issue. Ms. Deffebach said the Clean Water Services charge was very specific. Councilor McLain felt that Councilors had raised some good issues and concerns. Councilors suggested that there should be a lot of opportunities for that amount of money. Ms. Deffebach said the one measure that Council said they would do was to determine if they were improving overall health of the watershed. Councilor Park asked what were the performance measures that determined the improvement of the overall health? Councilor McLain said Goal 5 set out some standards. Councilor Park asked what the measurement was to achieve the goal. Councilor McLain said their basic report card was that they would improve the health of all eleven sites in their jurisdictions. She said they would be able to do this through science. Ms. Deffebach said they had spent a lot of time identifying the existing conditions of the sites. They were utilizing the restore model to tie in with the overall health.

Councilor Park said he encouraged looking at some kind of performance measurements. You needed to work toward the outcome instead the regulation becoming the outcome. Ms. Deffebach said she would be bringing back some of these issues to Council in the next few weeks. She said the committee planned to discuss the issue papers. Councilor McLain talked about the upcoming timelines based on what they accomplished at each meeting. Councilor Burkholder asked about information on success transfer development rights around the country. Ms. Deffebach said they could bring that back for a separate discussion. Councilor Burkholder suggested talking about the transfer development rights in the same jurisdiction. Paul Garrahan, Assistant Attorney, talked about when this was possible and when it might not be feasible. Ms. Deffebach said there was no real consistency across the region.

Councilor Park talked about Title 11. He was concerned that people were going to get anxious. He wanted to make sure there was something in place to prevent tree cutting.

Councilor McLain raised the issue of adding committee members to the Implementation Work Group. There had been emails about needing more general public representation. She suggested amending the committee to add two more permit specialist who would be using the counter. She had no suggestions on names. Councilor Burkholder said he thought they had suggested watershed individuals who had worked on watersheds. Councilor Park asked for clarification on the additional members. Councilor McLain talked about the issues of technical expertise and what that meant. Councilor Park clarified what kind of experts he would expect on the committee, those who would be able to see how it worked on the ground. Councilor McLain said they were

looking for advocate support as well as technical support. Ms. Deffebach talked about the original intent of the committee. Councilor Park said he wanted people on the committee who had taken a difficult task and made the environment better. Councilor McLain asked if the Council was interested in bringing additional committee members on board. Councilor Park said he was not interested in expanding the committee unless there was good reason. Councilor Park suggested continuing the conversation with the Council. Councilor Hosticka said he didn't see what was to be gained. He didn't think any citizen could represent an entire county.

**6. CITIZEN COMMUNICATION**

Jim Labbe, Portland Audubon Society, said he understood that there were disparate stakeholder groups. He said there were folks who had worked on watersheds. He felt they could bring a value to the committee.

**7. CHIEF OPERATING OFFICER COMMUNICATION**

There were none.

**8. COUNCILOR COMMUNICATION**

Councilor Park said he wouldn't be at the Strategic Planning meeting. Councilor Burkholder spoke to what they would be working on tomorrow at the Strategic Planning meeting.

There being no further business to come before the Metro Council, Councilor Burkholder adjourned the meeting at 5:00 p.m.

Prepared by,

Chris Billington  
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER  
21, 2004**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	September 23, 2004	Metro Council Regular Council Agenda for September 23, 2004	092104c-01
3	HTAC presentation materials	9/20/04	To: Metro Council From: Gerry Uba, Planning Department Re: Preliminary discussion of the creation of the new HTAC as Required by Title 7	092104c-02
3	HTAC issues	9/21/04	To: Metro Council From: Councilor Burkholder Re: The New improved HTAC and Housing Affordability and Metro	092104c-03
3	Letter	9/21/04	To: Metro Council From: Oregon Alliance for Land Use and Affordable Housing Re: requesting membership on the new HTAC committee	092104c-04