

MINUTES OF THE METRO COUNCIL BUDGET WORK SESSION MEETING

Wednesday, October 27, 2004
Metro Council Chamber

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

Councilors Absent:

Council President Bragdon convened the Metro Council Budget Work Session Meeting at 12:08 p.m.

1. PLANNING PRESENTATION (Continued from October 26 budget meeting)

Andy Cotugno, Planning Director, continued reviewing the planning department budget from the previous discussion.

Regional Travel Options Program. Mr. Cotugno stated the program is operationally transitioning from TriMet to Metro and that a marketing consultant had been hired. He noted the need to establish what the staffing and Materials & Services requirements are for the program. Other organizations are looking to Metro to better integrate all modal options into this program. There will also be a need to prioritize the focus for the program. Oregon Department of Transportation (ODOT) budgeted \$1.5 million for alternative transportation and decided that \$850-1,000,000 of this amount should be spent in our region, added to our program, which was not the case when the budget was set in the spring. Most of the ODOT funds will not be spent in this fiscal year; the Oregon Transportation Commission has made a 5-6 year commitment to that level of effort.

Councilor Rod Park recognized the efforts of staff, including Bill Barber, in getting us to this point. Councilor Rex Burkholder pointed out the use of MTIP funds for these projects may not be sustainable. Mr. Cotugno said that MTIP has made the commitment to this area for the last 20 years, and that the magnitude of the commitment has grown over time. We want to ensure that it is clear that the allocation is not to Metro but that we just administer the program. Council President Bragdon said that the same is true for the TOD program – it comes through Metro but benefits the region.

Livable Streets/Green Streets – Mr. Cotugno asked how much commitment we want to make to boulevard projects. It is a slow process to get these projects through ODOT. Metro's role so far has been to sit on a technical committee (due to a lack of staff time). There are several options for level of participation, up to taking full responsibility for completing a project.

Council President Bragdon asked whether Metro wants to cultivate taking on the role of EIS, since we are good at it. Mr. Cotugno said that Metro has the skills to do so, and has done work in transit centers, but not on major boulevards. Councilor Burkholder said that MTIP funds are flexible enough to assume that role. Councilor Park said this fits with Metro's goals and with the intent of setting performance standards for Goal 5, adding that the more these goals are tied together the better. Councilor President Bragdon said he would like to see Metro take on more of a leadership role in EIS. Richard Brandman, Deputy Planning Director, said that Metro does well in the transit arena and has been recognized for it. It makes it easier to coordinate the land use and transportation pieces. It will require changing the mindset of ODOT to recognize the value of having Metro lead EIS efforts. These endeavors will consume large amounts of resources and staff time, but revenue accompanies the projects.

The Council provided feedback on other transportation issues. Councilor Newman asked why TriMet's system map has not been approved by Metro and feels that Issue 1 should be discussed further. On Issue 2, he would like to have further discussion about streetcar projects and what is regional. Councilor Hosticka spoke to needing a large-scale view of regional priorities. Councilor Park asked about criteria to guide where alignments are placed. Councilor Burkholder said that we're still struggling with how projects are developed – if it's just who puts money on the table, whose turn it is, or is it part of a larger plan. Councilor Monroe said that the streetcar is part of a regional system and was part of a match for airport MAX funds.

Councilor President Bragdon said that 1, 3, 7 and also 2 are at the crossroads of technical and political work. We are on track for the technical work and have staff capable of the work. The Council needs to develop the visionary communications piece of the political side. Mr. Cotugno added that a political strategy is in part convincing the public but also how we work with other local partners. Council President Bragdon said it should be woven into our message in everything we're doing. Mr. Cotugno said that while we've had some success in this area, it needs constant effort.

Council Burkholder said that this belongs in long-range policy development and ties to the Big Look. Projects like Green Streets provide a huge benefit to the region. Mr. Cotugno said that it was remarkable how much testimony at the MTIP listening posts has been around advocating for doing this type of project in local jurisdictions. Council President Bragdon said the goal will be to figure out how to link the technical work of the planning department to the political work we need to be doing as regional leaders. Councilor Burkholder said that these projects provide immediate benefit to the public, which is important to balance against projects like light rails that take 10-15 years.

Councilor Burkholder encouraged other councilors to share additional concerns or thoughts with Mr. Cotugno or Council President Bragdon. There was general agreement that more discussion on this topic needs to occur.

Transit Oriented Development – Mr. Cotugno said the question is what size program should this be – do we want it to grow or is it the appropriate scope now? They are interested in exploring new market tax credits as a possibility for growth.

Centers Implementation – Mr. Cotugno said that we are still in the process of developing this program and providing structure. Local governments were mandated by MPAC to provide their strategies within five years. We learned some things from the Beaverton Round project. Does Metro want to take on Centers strategies or just provide direction?

Economic Development – Mr. Cotugno said that there are several levels of participation available, from continuing participation on the Regional Economic Development Partners, to taking more of a leadership role with the REDP, to initiating a Centers Economic Development Program - creating a niche market of tying economic development to centers.

Councilor Newman likes alternative #1 under TOD, but on alternative #2 change the goal to maintaining, not increasing, MTIP funding. Under Centers, he said that Council was enthusiastic about the scope proposed by Kelly Webb and he cautioned against duplicating efforts under alternative #2.

Council President Bragdon said also supports alternative #1 under TOD. Under Centers, he said that we need to differentiate between education and advocacy – the education piece should be about overcoming obstacles to Centers development. Under strategies, is there another source of partnerships like business organizations that could increase participation and funds? He would like to see further discussion of economic development, especially concerning a Goal 9 responsibility. The GMELS group report has real economic significance and should be incorporated in this discussion.

Councilor Park said the region needs to prioritize because there is not enough regional retail activity to support Centers everywhere. He recommended pursuing Mr. Cotugno's suggestion of thinking broader in terms of Centers activity, including commercial, traded sector, or other clusters.

Councilor McLain said she wants to see Metro concentrate more resources on TOD and Centers rather than economic development. The first two are more concrete and will provide more services to the public; then if we have the resources we can move on to the third issue.

Councilor Burkholder said there is a need to further define what our role is, what our capacity is, and whether or not we should be the regional economic driver. On the TOD program, more resources need to be found.

Councilor President Bragdon clarified that #1 (TOD) is about providing projects that wouldn't happen otherwise and #2 (Centers) needs to be about changing the rules of the development game.

Travel Forecasting – Mr. Cotugno said that Metro has worked with ODOT for the past several years to provide a household survey and this is a fundamental piece of research to forecast travel behavior, which is changing. If the state doesn't complete this survey, Metro will need to look at doing something although it's an expensive undertaking. Historically, ODOT, TriMet and Metro have pooled their resources to pay for the survey. Councilor Newman asked about the cost of a survey project. It costs about \$150-200 per household for a survey, and the last time we did it we surveyed 6000 households.

Mr. Cotugno spoke about some of the research partnerships Metro has developed for acquiring and sharing information. He pointed out that there will be trickle-down requirements for support staff to fulfill the goals set in the larger work program. He said that the data collection and policy sections must be separate. Councilor McLain said that it has proven very difficult to separate the technical and policy pieces because of the technical assumptions, and gave the examples of Goal 5 and MetroScope. Mr. Cotugno said that it is the responsibility of the policy-makers to adopt the assumptions but it is the responsibility of the technical staff to rigorously provide the best information available. Councilor Park said that this is a broader question of determining the scope of technical data that is provided and this is the policy-makers' responsibility.

More of the technical assistance duties have been decentralized and taken on by local jurisdictions. Metro's concern is about the consistency of the information. Mr. Cotugno pointed out that the Data Resource Center maintains an important database function for the region. The cost of the data should be shared by those requesting the information and the responsibility may shift according to regional projects and needs.

MetroScope could be expanded to a larger area and integrated with PSS software. Councilor McLain supported expanding the presence of the storefront. Mr. Cotugno said that DRC is dependent on sales, which fluctuate, so he is recommending a contingency fund.

Councilor Hosticka asked what role all the technical analysis plays in the decision-making. He said that he would like to discuss further what value these add to the process. Mr. Cotugno gave some examples of technical information that was provided by MetroScope that played a role in Council decisions. Councilor Park said that affordable housing and Centers are areas that MetroScope could and do help with, as well as upcoming urban renewal development in Rockwood.

2. CENTRAL SERVICES PRESENTATION

Casey Short gave an overview of what constitutes Central Services. These departments make up 18% of the Metro budget and encompass 119 FTE. Most of the income comes from allocated costs (\$12.8 million) and transfers from other departments. Councilor Park asked about how much of the allocated costs come from which sources – whether excise tax, entrepreneurial or other. Mr. Short said that he could get those numbers.

Council – Chris Billington, Council Clerk, talked about the process the Council staff followed to determine programs and issues/opportunities. Primary and secondary programs identified, as well as issues and opportunities, are listed on the attached document.

One area identified for improvement was assisting staff in presentation skills to improve efficiency at Council meetings. Another issue was to develop communication plans for each Councilor and share those with the Council. There is currently an electronic calendar on the Metro website that posts all Metro Council engagements and activities. Council staff will provide that information to Council. Council staff spend a lot of time scheduling which restricts their ability to do more comprehensive work. Ms. Billington looked into getting a work-study student to do some of the more administrative duties. Metro would pay ¼ of the salary of the work-study student. Ms. Billington asked the Council staff to track their time for 15 days so we have better knowledge of how much time is spent on each activity. Those results will be available in November.

Councilor Hosticka asked about how much time is spent taking and preparing minutes. Ms. Billington said that there are more meetings now and all of those require minutes to maintain a historical record. Councilor Burkholder said that there is an ongoing discussion of whether we have enough staff.

Councilor Park asked about staff development. Ms. Billington said that it is listed under Council goals and objectives, and that their goal is for every staff member to have the opportunity for professional development. Councilor Park said that a missing link is a formalized process for engaging staff in policy work. Ms. Billington said that there isn't a formalized program other than occasional staff briefings at the weekly Council staff meeting. She has asked Council staff to identify areas that they would like professional development and submit requests for specific training opportunities. This year is the first year that we've had the opportunity to provide training. Records and Information Management may also benefit from adding a work-study position.

Ms. Billington spoke to issues of Council leadership and policy making, suggesting more region-wide gatherings of elected officials. She suggested time for each Councilor to share their liaison

responsibilities with the rest of the Council in an informal way and each fifth Tuesday is set aside for training. It would be helpful to work more closely with Public Affairs so we can anticipate and more effectively deal with crises. Some other ideas include making Metro more accessible to citizens, adding a deputy Chief Operating Officer, adding an Ombudsman Office. Councilor Burkholder said that many of these issues would be discussed at the retreat later today. Ms. Billington said that 91% of the budget is staff salaries so there is not much room for change.

Finance and Administrative Services – Bill Stringer, Chief Financial Officer, said that their obligation is to Metro departments, to the Council and to the public. Their only source of revenue is allocation from departments. He explained the structure of their programs, Financial Services and Operations. He reviewed the department budget and FTE. Discussion followed about how different FTE were accounted for and the responsibilities of the various positions included under Information and Records Management.

In terms of issues and opportunities, Mr. Stringer said that they are trying to achieve efficiency in every department. They have prepared an RFP to do an efficiency study. There are very few written policies and procedures for an agency of this size. Mr. Stringer would like to expand the capability of doing internal audits, in addition to the duties of the elected auditor and in addition to the external auditor hired to do the annual audit. Accounting requirements are growing in complexity, requiring greater expertise in the accounting area. They would like to strengthen their expertise in purchasing and contracting, including a staff person trained in legal requirements of contracts and purchasing. Discussion followed about the pros and cons of centralized versus decentralized purchasing and contracts management.

Mr. Stringer said that he would like to develop a separate treasury function, consolidated into one staff person rather than spread throughout the department. He said that the problem is both organizational and due to the complexity of banking relationships.

Mr. Stringer said that under Operations, we need to look at expanding insurance costs, building renewal and replacement, and additional funds for training. Training can provide additional efficiency to save funds.

Human Resources – Ruth Scott, Human Resources Director, said that of the 119 FTE in Central Services, 11 are in Human Resources. Human Resource programs help position Metro as an employer of choice. There are four secondary programs:

1) Labor and Employee Relations would like to develop a long-term bargaining strategy to consider the inter-relatedness of all negotiations and transition the Personnel Code to a “Policies and Procedures” model. Ms. Scott noted that they would have to be careful to separate the policies which Council set (the “why”) and the procedures portion (the “how”). Ms. Scott used the Family and Medical Leave Act as an example of how to separate the why/how. They will be adding a new committee to encompass some paid time issues. Comprehensive supervisory training will be provided to all Metro management. They will be negotiating the LIU bargaining agreement in 2006 and, depending on how the AFSCME contract ends up, they may be negotiating a new AFSCME contract in 2006 as well.

2) Ms. Scott reviewed the function and issues/opportunities for the Recruitment and Selection department. They will be developing new strategies to recruit top talent and train supervisors to select top talent. They will complete an availability utilization analysis for both Metro and MERC. Councilor Burkholder said that given the job market and high unemployment rate, we can spend less money to find more qualified candidates in a bigger pool.

3) Organizational Development will be conducting an analysis of our current workforces, future needs, and develop strategies to bridge the gap – succession planning and workforce development. Councilor Burkholder said that with pending PERS retirements, there was a need to plan ahead to fill gaps in knowledge and experience.

4) Compensation will be working to develop alternatives to the current health care plan design, including a tiered rate and a cafeteria plan. They will be developing strategies of enhancing wellness to have a positive effect on health from the front end. They will be looking at the current structure of the non-represented salary plan, especially as it relates to merit-based pay. The data from the KPMG study is now two years old. They will implement the performance evaluation process. They will also be looking at the reclassification system and link it to the strategic budgeting process. They will complete two classification compensation studies, as required – for LIU and for MERC. They anticipate no new programs, and can do the work outlined with the current FTEs. Councilor Newman asked about the LIU classification study, and Ms. Scott explained that it was different than what was done last year and was for different bargaining units.

President Bragdon asked about the goal of looking for cultural change within the organization. Ms. Scott said the performance evaluation process is a good start - what you design, you will measure and what you measure, employees will do. That is where we will build employee goals and objectives and build an entrepreneurial workforce. Through the recruitment process, Metro can also create the workforce that we want.

Office of the Attorney – Dan Cooper, Metro Attorney, said that the one program that this department provides is legal services to Metro departments. Their goal is to not spend money outside except where absolutely necessary. They have moved toward having attorneys cross-pollinate to be more diverse in their areas of expertise. As the agency changes, legal service needs will change to and they will try to anticipate that. One carry-over issue from the Open Spaces program is 1.5 FTE. Those people are currently doing work outside of that program and occasionally take work that would have been outsourced. Whether those 1.5 FTE are retained or let go depends on what other departments will need in the coming year. Councilor McLain brought up the issue of centralization versus decentralization and asked for further discussion in the future. Mr. Cooper said that the office of the attorney has always been centralized but was referring to the need to cross-train staff on a variety of issues.

Public Affairs and Government Relations – Kate Marx, director of PA and GR, provided a chart of how the department has organized its core competencies. Ms. Marx identified a lack of capacity to provide policy development, community relations, or workforce communication. They need more staff to handle website development as a primary communications tool.

To develop better policy development capacity, the Council needs support staff versed in political science and strategic communications. Some options include scenario analysis activities, public opinion research, framing of objectives and values, and a better-informed consent process.

Community relations is a way to package continuous and ongoing communications activities. We need to do a better job of promoting success stories, educating our media representatives about the full range of Metro's responsibilities, and to do this quicker and cheaper.

The office of citizen involvement was consolidated midway through this year and they provide a more standardized and centralized approach to citizen involvement.

An opportunity for identity management could be met through an institutional identify development program and more ongoing standards and quality management by working closely with other departments. Culture change, if done explicitly and with objectives in mind, could be led by PA/GR in conjunction with other central service departments. One goal is to work more closely with other departments.

Councilor Newman complimented the progress on developing the Metro website – it is a useful tool, user-friendly and updated regularly. It could be used more as a link in the future instead of providing written copies of documents.

Councilor Hosticka said that he is interested in crisis prevention rather than crisis management. He's like to see us identify what might be a crisis so that we can lead the discussion instead of react to it. We should extend identity management externally to communicate the underlying goals and values of Metro. Ms. Marx said the crisis prevention should fall under scenario management and utilize the community relations department to roll out that message.

Councilor McLain also complimented the website and said that if our dependence on the website grows, we may need to allocate more resources to it. She said that strategies must be diversified.

Councilor Burkholder said we need to tie government relations into the MPO work we're doing, to extend beyond our region. He said that we have a great outreach opportunity through our tourist facilities that we aren't utilizing – putting kiosks, etc. at the Convention Center and Zoo.

Councilor Park said that the piece that is missing in terms of policy development is the translation from the technical into the political realm. Council analysts were able to cross-pollinate resources and synthesize multiple projects and goals. We currently don't have such a position. Council President Bragdon agreed that the need is there for some political savvy and sophistication to get to the next level.

Councilor Hosticka spoke about the issue of policy entrepreneurship on the part of individual councilors that affects resources available to the whole Council. These are both process and budget questions.

Councilor Newman said that Council seemed to be lacking support in policy rollout and political scenario development instead of policy analysis and development.

Councilor McLain also differentiated between the rollout piece, which is the responsibility of Public Affairs, and policy development, which is the role of Council. She said that the rollout piece was intended to look at the sensitivity of community and partners.

President Bragdon said there was a hinge between policy development and communication/rollout. He said he could go to any department for support in policy development. They were missing the communication to the outside, packaging and filtering of it. Some of the programs like Goal 5 and industrial lands have been technically sound but had political problems.

Councilor Hosticka said that recognition of the controversial nature of the topic hadn't translated into crisis avoidance. They have known for two years that Goal 5 was going to be politically difficult, but nothing was done until the crisis occurred. He asked if the rollout should occur after

a common understanding had been reached as to how it should occur, and how do they reach that common understanding.

Councilor Newman said the filter had to act concurrently with policy development.

Councilor Park asked how we link up similar pieces to leverage our ability to get more accomplished. He spoke to TriMet's request for support of the payroll tax increase and Metro's desire for resolution of parking lot issues at the Expo Center. He said that mutual support was achieved but asked where the clearinghouse function would occur which would synthesize opportunities to leverage into better things.

Councilor Burkholder said Issue and Opportunity #2 were important for continued discussion – how to develop intra-Council communication. We need to develop the skills and structure to be successful.

Ms. Marx said there were external factors to stay ahead of. Defining the perfect process re: vetting needed built into it the notion of speed. Crisis prevention requires the ability to make decisions quickly. She gave the example of local newspapers and the importance of timing.

Councilor Burkholder said this should not replace but should support the formal decision-making process. He asked how to keep the free-flowing ability to move and be entrepreneurial while ensuring that opportunities would not be missed.

Councilor McLain spoke to how Councilor Park said that departments should be linked on any issue. She gave an example from her high school students debate class.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 2:55 p.m.

Prepared by,

Patty Unfred Montgomery, Council Support Specialist

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF OCTOBER 27,
2004**

Item	Topic	Doc Date	Document Description	Doc. Number
Agenda	Budget	10-27-04	Agenda for Council Budget Work Session Meeting October 27, 2004	102704cwb-01
Planning	Planning	10-25-04	Strategic Planning/Budget Discussion – Planning Department	102704cwb-02
1	Council	10-06-04	Strategic Planning Discussion - Council	102704cwb-03
1	Finance/Admin	10-27-04	Metro Program Budget Overview – Finance and Administrative Services	102704cwb-04
1	Human Resources	10-27-04	Strategic Planning Discussion – Human Resources Department	102704cwb-05
1	Public Affairs	10-27-04	Public Affairs and Government Relations - Chart	102704cwb-06
1	Public Affairs	10-27-04	Strategic Planning Discussion – Public Affairs and Government Relations	102704cwb-07