

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, November 9, 2004
Metro Council Chamber

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

Councilors Absent: Rod Monroe (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:02 p.m.

1. ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

Michael Jordan, Chief Operating Officer, said we now have a new city within our jurisdiction, Damascus. He wondered if he should offer to be supportive and helpful. If there were significant requests, he would be back to Council. Councilor Park said they were looking at doing something special. Mr. Jordan said they must meet within 10 days after the vote was certified. They would probably meet to select their mayor. They would need some help doing the concept planning for the entire community. He spoke to coordination efforts, getting them together with other local partners.

Council President Bragdon said they were going to do the newly elected orientations in January. Mr. Jordan said they could do something separate or something special for Damascus. Councilor Newman said he was going to do a dinner for the newly elected officials. Council President Bragdon felt that an orientation was important to do. Councilor McLain said there were newly elected officials in District 4 that she wanted to include.

2. CHANGE ORDER 30 FOR WASTE TRANSPORT PERFORMANCE BOND

Mike Hoglund, Solid Waste and Recycling Director, explained that he was here today to talk about a change order request that had been made by CSU Transport. He introduced Mike Bender from the Churchill Group and Gary Goldberg from CSU Transport. He walked through the issues and options. He talked about the original contract, the performance bond and a letter of credit. He spoke to the history of the transport contract and the change of ownership. CSU was requesting combining the letter of credit and the corporate guarantee into a performance bond. He explained the options available to Council. He explained the difference between a letter of credit, a performance bond and a corporate guarantee. Councilor McLain said they originally had a performance bond. Marv Fjordbeck, Senior Attorney explained what a letter of credit was and what would happen if the company defaulted. Council President Bragdon asked what if they claimed that they were not in default. Metro was first in line with a letter of credit. He asked who holds the performance bond? Mr. Fjordbeck gave examples of who held performance bonds. He spoke to the levels of security. Councilor McLain said they went from a performance bond, there was a change in company, and now they were requesting a performance bond again. Mr. Fjordbeck provided the history of the bond. Councilor Hosticka talked about the ceiling of the claim. Mr. Fjordbeck agreed. Councilor Hosticka asked about the corporate guarantee and if that was where we get in line to get paid along with other companies. Mr. Fjordbeck said the performance bond was a superior instrument to a corporate guarantee. Mr. Hoglund said this was

before Council on November 18th. He noted another change order that would be before Council the same day, which had to do with parking spaces.

Mr. Goldberg said CSU started their business in May 2001. It took time for a transporter to get a performance bond. It had taken them about 2 years. They had been able to get a commitment for \$2.5 million. The performance bond would replace the letter of credit and corporate guarantee. He spoke to how it affected their company. Mr. Bender talked about Churchill and that they had \$7 million tied up with CSU. Councilor Hosticka asked about a performance bond. Mr. Bender said it was like an insurance premium. Councilor Hosticka asked what happened if they didn't pay. Mr. Bender said Metro would hold payments. Mr. Fjordbeck talked about what would happen if they did not pay. Councilor Hosticka suggested another option. Mr. Bender said they had never had an issue. Councilor McLain said they had held on to 5% retainage fund previously. She asked how much research they had done the proposed insurance company. Mr. Fjordbeck said the insurance company had a class "A" rating. Council President Bragdon asked if this was a move that made the company more saleable. Mr. Bender said it didn't affect the salability from Churchill's perspective. Mr. Goldberg said they also had a performance bond with the City of Phoenix. Mr. Bender said the current Letter of Credit was with U.S. Bank. Council President Bragdon asked about monitoring their financial reports. Mr. Fjordbeck said they still monitored the financial reports.

3. STATE GREENHOUSE GAS STRATEGY

Andy Cotugno, Planning Director, talked about the State's greenhouse gas strategy, which the governor had convened a task force about for the purpose of reducing global warming. The group had completed their charged and was now asking for public comment. Mr. Cotugno said they thought it would be prudent to submit their comments. There was a series of recommendations, which were in line with what Metro had started. He reviewed the different waste disposal recommendations as well. He noted a memo from Mark Turpel, Planning Department, laying out a series of issues. They would be drafting a letter to include comments. This had been to Transportation Policy Alternatives Committee (TPAC). They were going to Metro Policy Advisory Committee (MPAC) and Joint Policy Advisory Committee on Transportation (JPACT) next week. Councilor Burkholder said there was a lot more detail about energy production. They wanted to get this finished and the recommendation to the governor on or before November 15th so that they had something in place to address requests that might impact greenhouse gases. Mr. Hogle talked about the Solid Waste and Recycling Department's comments on greenhouse gas reductions. He talked about waste reduction up front. Mr. Cotugno said Mr. Turpel was taking the lead on transportation and Mr. Hogle was taking the lead on solid waste activities. They wanted to have MPAC and JPACT weigh in on these comments as well. Mr. Hogle talked about composting on rural lands. Councilor McLain commented that we might want to stay silent on this issue and explained why. Councilor Hosticka suggested part of the land use transportation nexus be included when we make Urban Growth Boundary (UGB) decisions in the future. Councilor McLain suggested having one letter. Council President Bragdon asked if the letter would be ready early next week. Mr. Hogle said there was a recommendation to increase the bottle bill redemption from .05 to .10 cents.

4. INNOVATIVE STORM WATER MANAGEMENT IGA WITH PORTLAND

Teri Dresler, Oregon Zoo Deputy Director, talked about the innovative storm water management Intergovernmental Agreement (IGA) with City of Portland. There was \$200,000 available in a grant to help with storm water issues. They had identified four to five projects on the Zoo grounds. They had also asked for an extension of the funding cycle. They wanted to allow the

designers time to get the best bang for their dollar. They would be coming before Council for three actions, budget amendment, and acceptance of the IGA and approval of the projects. Councilor Burkholder asked if there was a way to capture this water for use at the Zoo. Ms. Dresler said they hadn't talked about this idea for this grant but had talked about it with the master plan.

Mr. Hogle talked about a green roof project for Metro Resource Center (MRC) building. They had been approached to do this as a pilot project. They weren't sure if the green roof would hold up. They had used some of the ENACT funding to take a look at whether or not it could hold up a green roof. The area would hold up with a two inch green roof. The Bureau of Environmental Services had offered \$35,000 in a grant. There were a number of issues that had to be resolved before they could come forward to Council with a request. Additionally, Brian Phillips, Property Services, had done a lot of work on eco-roofs. Green roofs were more expensive historically but there were environmental benefits. Council President Bragdon asked about energy tax credits. Mr. Hogle said they would look into this.

5. BREAK

6. DEPARTMENT PROJECT BUDGET OPTIONS: SOLID WASTE

Bill Stringer, Chief Financial Officer, said the meetings in October were to identify issues and opportunities. The meetings in November were to assign rough dollars and Full Time Equivalent (FTE), indicate the prioritization within the departments, and discuss performance measures that link the goal and objectives. Councilor Burkholder asked about the programs that cut across departments. Mr. Stringer said they were attempting to define those cross cuts and they would present these after the departmental presentations.

Mike Hogle, Solid Waste and Recycling Director, noted the handout, which included identifying direction, issues and opportunities, the 2004-05 budget and performance indicators. He talked about starting assumptions. They had no new major initiatives. They also didn't have any financial problems. The reserves and bond covenant was in good shape. He assumed that they would be looking at no new resources. They were holding the line. They were working at meeting the department objectives. They had been looking for efficiencies. They had cut \$1 million last year, and over \$1 million the year before. He talked about existing programs and activities as well as interdepartmental activities. He spoke to initiatives and themes such as business operations recycling. He talked about extending their outreach to businesses. Council President Bragdon asked if this would be our outreach or in the form of local government services. Mr. Hogle said they had begun to discuss this but had to go back to evaluate this. Council President Bragdon suggested consistency across the region. Mr. Hogle talked about the mandatory MRFin of all of the facilities and direction from the Council. They were working with industry on this issue. He questioned how it impacted the system development fee. He said the impact on the budget was uncertain. He also talked about efficiencies by restructuring the staff. Under the current programs and activities they were looking for more efficiencies. He gave additional examples of these efficiencies such as the Sheriff's contract with Multnomah County by internalizing some of those activities.

He then spoke to agency coordination. They were trying to work horizontally across the agency with Parks and Planning on Goal 5. He wasn't sure where they wanted to go with ENACT. If they wanted to expand the program, it might be better housed under the COO or the Chief Financial Officer (CFO). He then spoke to public services and outreach and how they interrelate with the public. They had programs that they were trying to make sure met the agency objectives.

Councilor Burkholder said he felt having the information more readily available would be helpful to determine the effectiveness of the program. Mr. Hoglund said they were trying to tighten the neighborhood cleanup plan. They had taken the lead on Environmental Leadership with paint stewardship and E-waste programs. He talked about levels of involvement and letting Council know what the return was on that involvement.

They would be updating the latex business plan. Mercicorp was sending the latex paint all over the world. Mr. Hoglund talked about the ongoing discussion on disposal system planning.

Doug Anderson, Solid Waste and Recycling Department, reviewed the dollars amounts and how they applied to programs. He explained the key to using the template. He talked about direct revenue and direct costs. Councilor Park talked about if a program went away what would be the costs and savings. Mr. Anderson said a program budget would put a business model on the table. He asked if this was helpful to Council? Council President Bragdon asked Mr. Stringer to comment on if this was helpful. Councilor Burkholder talked about direct costs and direct revenues. Mr. Jordan said some of those were judgment calls. There would be some reduction in staff if you cut a program but not entirely. Mr. Jordan said Council would like to understand the differences between fixed and marginal. Council President Bragdon said he wanted to make sure Council was getting what they wanted out of this discussion. Mr. Stringer said they were trying to look at savings if a program was eliminated. If Council decided to add or eliminate activities so they could adjust the budget accordingly. Some of the fixed costs would go away but not all of the costs would go away. Mr. Anderson said they have allocated costs. Councilor Park asked if this was going to be the format that was used by all of the departments. He made some suggestions about color. Councilor Hosticka felt these charts were useful to get a sense of what things were costing. Mr. Anderson explained Box 5 concerning public revenues. Council President Bragdon responded to the revenue numbers and said that the numbers should not be interpreted as being bad. Mr. Anderson stated that the green line numbers were the numbers Metro would take to the public. Mr. Anderson said we were only drawing \$81,000 from the fund balance this year. Council President Bragdon stated that for the money, Metro was getting real value. Councilor Park suggested a better way to present the information. He urged consistency of presentation.

Mr. Anderson asked about the level of detail? Councilor Hosticka asked about private facilities regulations costs and savings. Mr. Anderson said if this program went away they would show revenue loss. Mr. Stringer said Mr. Anderson's chart excluded Capital Improvement Projects. He talked about the level of detail for program budgeting. They could then go back and develop performance measures. He asked what level of detail worked for Council. As they make this kind of budget gel, they needed to have this answered as they moved forward. Councilor Hosticka said they were looking at level of scale. Mr. Stringer said the other consideration was that they had tried to line up program with the Council's goals and objectives. Councilor Park said what was beneficial to him was to have an executive summary backed up with detail. Mr. Jordan said they had level of detail in some places and not in others. More important it was the level of discussion that Council wanted to expend their time debating. He said there was a cost associated with detail. They were trying to find the happy balance. Councilor Park asked what was the cost of doing this performance measure budgeting? Mr. Jordan said our accounting was not set up by program but by line item and fund. He said it was not an easy transition.

Mr. Anderson said there was list of performance measures. He spoke to challenges. Councilor Park talked about the first three performance measures and the per capita indicator.

7. GOAL 14 RULE BRIEFING

Dick Benner, Senior Attorney, talked about how you amend the Urban Growth Boundary. This was not an overhaul of the urbanization process. They were trying to make the process easier. This had to do with how did we make it easier to expand the boundary and how did we make land inside the boundary more efficient. He highlighted the most significant pieces in the package. He talked about the exceptions test, which would be imported to the language of Goal 14. He explained what was in the exceptions test. He explained what the amendment did. He then talked about the conversion of urbanizing land to urban land. Goal 14 had never been clear. Metro did this ourselves. For Metro it was easy to figure out where the urbanizable land was. He didn't think this part would affect Metro very much. He then addressed the issue of livability which was not a need. He said this would be a brand new rule. He explained the principle rule in the rule making. This effort was to help small jurisdictions. He was not sure we would get much help from the safe harbor. He said they needed to keep an eye on how to identify employment need. It was a problem in the rule. He talked about Goal 9 and how it was part of the discussion. They were proposing to wind this up in February 2005. Councilor Park asked where the UGBs were in the State and suggested an economic development strategy. He suggested that if we were to accept Goal 9 responsibility you needed to be empowered.

8. COUNCIL BRIEFINGS/COMMUNICATIONS

Council President Bragdon said they would have a discussion with MPAC about Measure 37. The key to the discussion was their relationship with local governments. Metro said our two reactions: forget about the Functional Plan, it didn't apply or no matter what, the Functional Plan did apply. He suggested Dan Cooper, Metro Attorney, talked about common themes. Mr. Cooper said waivers were a tool in lieu of compensation. No government had the money to pay all of the potential claims. He also talked about how they would assess the value. There were a lot of mechanical questions about the measure. There was still a valid regulation. Metro would play some role in talking through processes and procedures. It was a way to think things through collaboratively. Councilor McLain said she felt it was important to show some leadership at the MPAC meeting tomorrow. She was hopeful that the jurisdictions could come to agreement about how they were going to proceed. She suggested forming a team to try to put together some first step strategies.

Mr. Cooper said the League of Oregon City Convention raised these issues. There was an idea that there should be some central repository keeping track of every claim. He suggested that a database regionally would add some value right away. Councilor Hosticka asked if local government could waive regional or state regulation. Mr. Cooper said that was also under discussion. They were looking to the Attorney General Office for an answer. Metro would be in a parallel circumstance to the State. Councilor Hosticka asked how much effort should we go to, to provide answers and how much should we allow to go through the courts. Mr. Cooper said there was even a theory that the initial cases be thrown out and explained why. Councilor Hosticka asked should they let the process run? Mr. Cooper said that was a discussion at the League of Oregon City convention as well. Councilor Hosticka asked if there were opportunities for third parties. Mr. Cooper said yes. Councilor Hosticka asked what was Metro stance on this? Did we wait or did we help right now? Councilor Burkholder said if Metro had opportunities we needed to say we would continue our work. Council President Bragdon said people still needed to have things done. Mr. Cooper said 90% of the work that Metro had done as a Council has been to increase property values. Most of what this agency has not been diminishing people's property values. Councilor Hosticka suggested looking at the normal turn over of ownership. Mr. Cooper said in 2001 after Measure 7 passed, Geographic Information System (GIS) did a survey and found that most of the land in the UGB turned over fairly frequently. Most of the rural residential

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land outside the UGB had also turned over. That didn't mean there weren't individual cases. Mr. Cooper said they were coordinating their efforts keeping track of all of the external communications that they were receiving. Councilor Park talked about the Land Conservation and Development Commission (LCDC) dinner and the discussion that had occurred concerning this issue. Mr. Jordan said there was no easy explanation.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:55 p.m.

Prepared by,

Chris Billington
Clerk of the Council

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

Item	Topic	Doc Date	Document Description	Doc. Number
3	Memo	11/9/04	To: Metro Council From: Andy Cotugno, Planning Director Re: Oregon Greenhouse Gas Reduction Strategy	110904c-01
3	Memo	11/2004	To: Andy Cotugno, Planning Director From: Mike Hoglund, Solid Waste and Recycling Director Re: Draft Oregon Strategy for Greenhouse Gas Reductions	110904c-02
6	Budget Agenda	11/9/04	To: Metro Council From: Doug Anderson, Solid Waste and Recycling Department Re: 2004-05 Program budget and performance indicators	110904c-03
7	Proposed Amendments	10/20/04	To: Metro Council From Richard Benner, Senior Attorney Re: Proposed amendment to statewide planning goal 14	110904c-04