

## MINUTES OF THE METRO COUNCIL BUDGET WORK SESSION MEETING

Tuesday, October 26, 2004  
Metro Council Chamber

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

Councilor Burkholder convened the Metro Council Budget Work Session Meeting at 12:02 p.m.

### 1. REGIONAL PARKS AND GREENSPACES PRESENTATION

Councilor Burkholder reviewed what the Council is looking for in this presentation, particularly the issues and opportunities. He said it is also a chance for the Council to give feedback to the departments on the broad forming of their budgets.

Jim Desmond, Regional Parks and Greenspaces Director, presented the matrix that outlines the Council's goals and how they line up with the programs of the department, a copy of which is included in the record. The Parks programs line up well with the Council goals. They include meeting the natural resource protection goals of the agency through their own portfolio of 15,000 acres and the general work that the department does. The Parks department's education program and direct customer services in the providing of parks allows them to bridge many of the strategic goals the Council set forward. They did not find anything that they feel they need to halt because it did not fit with the goals. He referred to the lengthy discussion the department had recently in three sessions with the Council in looking at the work plan for the expenditure of the new \$1.50 excise tax that the Council appropriated this year. Staff got a sense of the Council's goals in those discussions.

The department has engaged in its own strategic planning, and identified three key areas that they think they need to focus on. The first is to open four new sites for public use, as previously discussed. They set forth specific strategies of how to accomplish that, and did a staff abilities assessment of how they would need to move some people around to most effectively achieve those goals. Their assumption is that they are working with existing resources plus the \$1.50 excise tax.

The second goal deals with existing facilities and lands. Using existing resources, the department wants to maintain and increase its customer service. The challenge is that the existing resources net decline each year because the basic costs of operation (salaries, Public Employees' Retirement System (PERS), etc.) rise faster than the general fund does. The department has a net decrease each year, but the department goal is to not cut any existing programs and has a plan to make up for the net decrease. In some ways they think they can enhance customer experience and create new efficiencies. They are doing some staff reorganization that will help them achieve some of these goals.

Their current structure includes a team of rangers that report to Jim Morgan and deal with the open spaces. They have a second set of rangers that have a different reporting structure that takes care of the developed parks (Blue Lake Park, Oxbow Park, etc.). He sees a loss of opportunity due to how it is currently structured. The larger lost opportunity is Jim Morgan's team of amazing scientists that are some of the best in the region, especially at restoration, and are leveraging five or more dollars for every dollar the Metro Council has appropriated for restoration. Yet that team ends up spending time worrying about downed fence posts or neighbor complaints—day-to-day

operational issues that would be better suited to the regular parks staff. The department proposes to separate out the scientist team to a new work team, to be called the Science and Stewardship Team, to be free to look at the whole portfolio of plans—restoration priorities, management plans for those properties, write grants and handle higher-level work. With several staff with PhDs, they also can serve as a technical resource for the region. Through a shifting of full-time equivalent (FTE), without hiring any new employees, they think they can meet the Council's strategic goals. They are making those changes now in the department. He noted that the Council had made clear in previous discussions that although they want the department to focus on opening the four sites, especially doing as much restoration work as possible, that work was not to be at the expense of the rest of the Parks portfolio. They think that is possible, and are committed to doing that.

Mr. Desmond continued, saying that the third broad category the department wants to focus on—which is more of a capacity issue than the others—is to lead and facilitate the discussion of long-range regional system planning for parks. Ten years ago, Metro and the Parks department did a lot of that, but it got so focused on the implementation of its own portfolio and the bond measure, that they got a little away from the broader-based system of parks, regardless of provider, with Metro serving more of its traditional function of facilitator/leader/convener. This plays into the Greenspaces Policy Advisory Committee (GPAC), and their intention to meet with Council. The department needs a little more capacity to do some of that work. Through some of this restructuring, the department has a retirement and an unfilled position, which they intend to redefine as a planner position for the next fiscal year, for a net FTE. They feel they need more juice on the park planning side, which is in the proposed budget, and Mr. Desmond feels that ties in well with the Council's strategic vision and goal of Metro as facilitator/leader. The department was preoccupied with managing its own portfolio and got away from long-range planning for parks for the region. They have heard from GPAC and others that they feel there is a little bit of a void. He thinks it is as simple as rearranging within their own planning staff their capacity to take on more of the system work. There is tremendous support from other parks providers for Metro to lead in this way. They are not sure, however, exactly where it is leading. They don't know if it is leading toward a bond measure, or toward a nonregulatory Goal 5 incentive program that has other financial components, etc.. Wherever it is leading, the planning component (What are we planning to protect? Why? How can we secure more grants? What are the local park providers doing?), the on-the-ground strategic work is not really being done by the Parks department today at Metro.

Councilor Park asked for clarification on what is the void. Mr. Desmond recalled some of the history and said they want to look at the entire spectrum of parks for the region functioning as a systematic whole. They've done some of this, but it has not been as much as an emphasis as in the past. Park providers have increasingly been going their individual ways. What has come out of the GPAC vision statement, that includes Vancouver and Clark County, is a focus on a system-wide coordination and approach. It seems crazy to have the regional entity of GPAC, and have Metro be just another park operator in that discussion and not more of a facilitator.

President Bragdon said he thinks the issue of whether Metro should continue to be an operator of parks is a germane question that is related to several things Mr. Desmond had mentioned. He said he thinks a similar analysis could be made of the division of labor region-wide. He thinks they should drive GPAC toward that type of discussion. Now Metro is a parks operator in one portion of the region, but he's not so sure of what it should be long term. For geographic equity, Metro should either be an operator in other parts of the region, rather than having taxpayers across the region paying for two parks in the far eastern part of the region; or Metro should not provide

parks anywhere. GPAC is one way to get to that discussion. He noted that Metro is the best in the region at restoration, and filling that void in the region. But perhaps Metro is not the best to be doing operations and maintenance.

Mr. Desmond noted that there is no economy of scale being a regional maintenance provider, and in fact, it's the opposite. Rather, it's highly inefficient. Mr. Desmond used an example of the Tualatin Hills Park and Recreation District (THPRD) being better positioned to take care of the Jenkins estate than Metro, if THPRD is there daily for other programs. President Bragdon said we need to devise a system where those efficiencies can be achieved. Mr. Desmond said it very quickly leads to a discussion about money. They have started discussions with the local jurisdictions about the three major new sites, and have been clear that Metro would prefer not to operate the new sites. They are discussing the financial arrangements. They would like to put together deals with other providers, when it can be shown to save the taxpayer dollars. He feels that those deals will develop shortly.

President Bragdon said maybe Metro can provide some services, such as scientific expertise and restoration on the other jurisdictions' lands. Mr. Desmond noted that Metro already has been providing some acquisition services to other jurisdictions. That can serve as a model for providing other services where there is some demand and savings.

Councilor McLain said the science and stewardship focus is something she supports and agrees should be a focus. She said the original document was the Greenspaces Master Plan (GMP) that turned into the GMP Update and then turned into the regional parks plan capacity program work done with the Metro Policy Advisory Committee (MPAC) on what should be a system-wide regional parks quota and ratio work between the number of parks and people. In Metro's original vision and functional plan, Metro guaranteed that it will go forward with some of that long-term planning and help out in the convening role. So it is actually not a new role, but rather putting Metro's dollars where its words were. That long-term planning role is documented all the way back to 1992. Metro does not want to be redundant and do what others do better. She said our bond measure says that if others want to manage a park, we have to let them, and Metro has not turned anyone down. So it is not new for Metro to have others manage our parks. Mr. Desmond noted that not many have come to him asking to manage our sites.

Councilor McLain does think it is bothersome though, if Metro gives away so much that it just becomes a shadow government that doesn't have any concrete facilities or services that citizens can see. She doesn't want to be the shadow government that doesn't own anything and just *thinks*. It is important to have vital services so people will feel us touching that need. She's afraid that the "thinker" would become the first on a list of what we don't need.

Councilor Newman said once the GMP was developed, he wondered how the new system thinking relates to the implementation of the GMP. Mr. Desmond answered that he thought Councilor McLain had identified it correctly. They are not really proposing anything new. They are not proposing an update of the GMP, but to develop some strategies, particularly financial strategies, to help create a more level playing field. He said that within the region, there are "have" and "have-not" areas. There is not a strategic plan to help the have-nots get where they want to go. He feels that is contrary to the GMP. Metro is in a unique role to lead that discussion and develop strategies to help get us to the GMP vision. Councilor Newman said he didn't know what was most needed to move in that direction. It may not be just a planner position, and he wondered about the aptitude needed to fill the gaps. He felt some of the differences are cultural and political, based on where you live and what people are willing to pay for.

Councilor Monroe said if they are looking at another bond measure for 2006, then they need to begin the preliminary and background work before next July when next year's budget starts. He said he would like to explore whether or not that is a reasonable direction to go. Mr. Desmond said he has had meetings about that. Now Metro has a track record and compelling story to tell, even more so than in 1995 with the previous bond measure. He feels the educational, factual telling of the story of what a new bond measure is about will be a large and not inexpensive item. It is separate from a campaign. Councilor Monroe asked if we want to continue the program we have that started in 1995, or if we want to concentrate on inside the urban growth boundary (UGB), include a local share component, etc. Mr. Desmond said there are many things they would need to look at—such as if it is to include a local share component, restoration fund, etc. and the department is trying to be as ready as possible to look at that.

Councilor McLain said she doesn't think that anything Mr. Desmond said really denied that there may be something that is a regional parks system that is appropriate. In Forest Grove she often hears people ask why they don't have a large regional park like Oxbow on the west side. Mr. Desmond answered that that's why Cooper Mountain is a high priority that the Council has appropriated funds for the Parks department to work on opening. It's 256 acres in Washington County.

Councilor Burkholder said that the Multnomah County perspective is that they paid for the parks they have, and the Forest Grove people didn't pay for Oxbow Park. He feels this would be a perfect time to work with the Public Affairs and Government Relations department. He said it even goes beyond just how to do parks, but is about how does Metro operate in the region. It even goes beyond GPAC. Even those jurisdictions that don't supply parks, need to be at the table. It becomes an issue of intergovernmental relations.

Councilor Burkholder asked specifically about the overhead rate for Parks. Kathy Rutkowski, Budget Coordinator, answered that the fringe rate related to salary is about 33 percent. She said that the fringe rate depends on the rate of salary and ranges from 40-50 percent.

Councilor Park asked about how parks and facilities inherited from Multnomah County balance out in terms of costs and expenditures. Jeff Tucker, Parks Finance Manager, answered that as a total package of the facilities on the east side, they are practically self-contained. There is only a little excise tax going to support operations, and that's the money that has been put into renewal and replacement. As a total package, they are down about \$300,000 per year supported by excise tax. He noted that that includes the original capitalized receipt of the facilities. Councilor Park said if Washington County and Clackamas County want to have a similar deal and give Metro similar properties such as Multnomah County did, then he is amenable to it.

Mr. Desmond talked about Blue Lake Park and the idea of creating a nine-hole golf course at there. The department would like to advance that idea using existing staff and resources. The department does not have many opportunities to generate more revenue. The vacant land at Blue Lake Park is its best opportunity. They would like to create a shorter learning, "executive" golf course and a large driving range. Driving ranges are easy to operate and have a high profit margin. Even though golf is not Metro's main mission, it is a family recreation that will generate revenue for Metro. He feels it would be consistent with some of Metro's larger strategic goals. It would help make the department more self-sustaining down the road. He does not see another such opportunity for the department. The department would like to move forward with advancing

the golf concept. He speculated that the Oregon Zoo's Trillium Family farm may want an eastside facility. He said the Parks department is open to all revenue-generating activities at Blue Lake.

Councilor McLain said she thinks it's wonderful to do a golf course that would generate revenue. She feels it is important to be creative with fundraising. She doesn't think they will have the dollars they have had in the past. It is good for the government to make money to pay for itself.

Councilor Burkholder asked if similar opportunities for revenue enhancing are available on the west side, such as at the Killin Wetlands. That site is well suited for views, but that doesn't generate revenue.

Mr. Desmond cited some of the restrictions on the bond-purchased properties, and the restrictions on developing them as a developed facility. He said there is a way to get there legally, but there's not a lot in Metro's portfolio that would lend itself to that, and he thinks the public sensitivity to that would be really high.

Mr. Jordan said Nancy Chase, Open Spaces Manager, had previously suggested an innovative new idea about exchanging property around the edge of the UGB. It would involve several million dollars.

Councilor Burkholder noted that in some cases Metro has had to buy the whole property to protect a small portion of it that has habitat value. He said they may not want some of the remainder of those properties that aren't meeting Metro's goals.

Mr. Jordan said they want to look from every potential angle at innovative ways of using revenue that might come from a sale or trading of those properties to fill the goals of the bond measure.

Mr. Desmond said the issue of pure surplus land will become clear in areas where they have a master plan for developing the site. They have not run into that yet, but he thinks Metro will. Mr. Burkholder cited an example of property Metro owns in the Forest Park target area (Agency Creek) that are buildable lots that are causing some problems for Metro. Mr. Desmond said they are trying to get that cleaned up now and bring it back to Council for consideration.

Councilor Newman said he is all for looking for revenue opportunities, particularly at Blue Lake Park. He wants to make sure Metro does a thorough market analysis. He was surprised at how successful Clackamas County has been with their golf course. He knows nationwide many golf courses are having financial difficulty. Another private golf course in Oregon City experienced a precipitous downturn after the Clackamas County course opened. He wonders if the word Mr. Desmond is getting is accurate. Mr. Desmond said they had a market analysis done by a national consulting firm. He said they will proceed very cautiously, and will continue to bring it back to Council before they spend any money.

Mr. Desmond said the other revenue-enhancer they would like the department to look at is green burials. They are nontraditional burial services. The deceased is cremated, and instead of the remains being buried at a cemetery or put in a mausoleum, the remains are buried in a natural environment. The location of the remains is tracked by a global positioning system (GPS) and kept in a computer. The concept is that the person is buried in a place that they loved. It creates no waste. It is a much more environmentally sound practice. They are not encased in a casket and are not embalmed. No trees are torn down. The GPS record is permanent and generations later people would still know the location. People will pay more for such burials than in cemeteries.

The cremains are buried. Councilor McLain noted that Metro, therefore, has more than 8,000 acres of potential green burial grounds.

Councilor McLain recounted that she has been to such a green burial, with the cremains in a paper box-type container (that would decompose).

Mr. Desmond said he thinks Metro should look at this. Many people have come to Metro asking about this idea, since Metro is in the business of cemeteries. The overhead is next to nothing and the profit margin is very high. This is a service the public wants and Metro may be able to provide it. Councilor McLain noted that people are doing it unofficially. Councilor McLain noted that people like that they don't have to be involved. She said there is a service out in Verboort that helps with that part of it. Mr. Desmond said no one else in Oregon is providing this green burial service. Councilor Burkholder said it may turn out that Metro is happy to have the cemeteries. Mr. Desmond said that its regular cemetery business has gone from a \$200,000 dollar a year looser to a break-even business that they expect to be profitable soon. They are trying to run cemeteries more as a business.

Mr. Desmond said they do not want to cut their customer service and therefore will need to be more entrepreneurial to look for additional revenue to do that.

Councilor Newman asked if Metro has a naming policy, like the Metropolitan Exposition-Recreation Commission (MERC). Councilor Burkholder suggested that for \$250,000 you could name the greenspace after someone. Mr. Jordan said the Council has a naming policy that applies agency-wide.

Mr. Desmond said that at Blue Lake Park, they would like to buy a 2,500 square-foot water play structure for kids. They are very fun. It is a huge structure that would get kids out of the lake. Blue Lake could use some more interest/juice. They have identified some ways that they may be able to purchase the structure. It would be a good investment for the park and the public. He also noted that this may not be the time to buy such an expensive item.

Mr. Tucker talked about how they would be able to purchase it. A few years ago, Metro used to operate concerts at Blue Lake Park, and the revenue from those concerts was put into a concert fund. That money was dedicated to construct a permanent concert stage. The new master plan for Blue Lake Park does not have a stage. That concept was eliminated. They felt the funds should stay at the park. There is approximately \$115,00 in the budget for a concert stage that is no longer planned. They could use that money for the play structure. They estimate the play structure budget would be \$150,000, so they would need to come up with an additional \$35-40,000 dollars to purchase the play structure. One of the likely sources for that is the Parks general operating fund. They have fund balance in that fund that is in excess of what they need for cash flow purposes. They have under spent their budget, and so have some unused fund balance. They don't want to use that fund balance for an ongoing project, so it makes sense to use it for this one-time-only project. He did the return investment analysis that shows they should expect an increase of people coming to the park for the play structure. Given the revenue just from the gate alone, it would pay for the ongoing operations and maintenance of the play structure, as well as renewal and replacement. He said it would at least be a break-even scenario, and could increase revenue.

Councilor Newman asked if they track what people are doing at Blue Lake. Mr. Desmond said they track it some, and in general people do everything, depending on the weather. Most people come to the park for a company or organized picnic. Other than the admissions, they are not

generating much revenue at the park (they do not have a gift shop, etc.). The Lake House is not a big money maker.

They will not charge for the play structure, but they do think people will come to the park specifically for that. He thinks the play structure would increase attendance by three to five percent. More importantly, it would reflect to the community that Metro is concerned about health and making the park more modern and viable.

Councilor Burkholder asked if they wanted a budget amendment. Mr. Tucker said the department already has the budget authority as if they were going to get a grant. They don't have the grant. They are looking for approval from the Council to use fund balance, instead of grant money, in this fiscal year. They may need a small budget amendment to make that happen. If they are going to do it, they should do it before June 1 for the summer season.

Councilor Hosticka asked if it will be treated as an expenditure or an investment. He asked if they use fund balance, are they thinking of paying it back or are they thinking of spending it down. Mr. Desmond said they are thinking of spending it down, but that it is an interesting concept. He said they need to continue to focus on Blue Lake Park, because it is the only place they are not breaking even.

Councilor Park said it would be an investment in two directions. It is an investment in the community. Councilor Park asked about the revenue loss from the last water quality incident at Blue Lake. Mr. Tucker said the attendance had come right back up, although they had a one-time loss of \$15-20,000. They do not think there was any long-term impact from that incident. Councilor Park said he is looking at it from the perspective of the public. Councilor Newman said he thinks the play structure makes sense and may increase attendance, but he's not sure it will keep people out of the lake. Councilor Monroe asked if they had looked into charging admission to the play structure. Mr. Tucker said he had looked at charging admission to the structure, but he found Metro could make money without charging separate admission. Admission is not being charged at other facilities that already charge a site admission fee. Councilor Monroe asked to see some pictures or diagrams of the play structure.

Mr. Desmond said based on where Goal 5 goes, the Parks department may want to look at what its role will be with the Goal 5 Program. Until further notice, he is assuming it may mean redeploying some of its existing resources that may be more strategically aligned with the new Goal 5. For example, they do environmental education programs, and perhaps they need to massage that message to reach people differently than they are today. The same would apply to restoration. If it involves on-the-ground programs, his department is willing and committed to work with the Planning Department to implement the Goal 5 Program. He is ready to have a discussion about that whenever the Council is ready.

Councilor McLain said that restoration is going to be a part of whatever Goal 5 program is developed. She said they have been trying for years to find a way to integrate the two departments in this area. She sees this as a major issue for Mr. Desmond and Mr. Andy Cotugno, Director of Planning, this year. She sees that it would finally come to fruition to use the Parks resources. She sees Mr. Desmond's excitement as timely. Mr. Desmond said that the Parks staff are already meeting with planning staff on this.

## 2. PLANNING PRESENTATION

Councilor Burkholder reminded everyone that they want to focus on the issues and opportunities.

Mr. Cotugno reviewed the Planning Department Strategic Planning/Budget Discussion document, a copy of which is included in the record. He referred to the Planning department chart. It includes a description of the different programs and the Council objectives that those align with. In the process of looking at the Council objectives, it helped them realize that they need to be more clear about what some of the fundamental functions are, what the differences are among them, and probably calls for some realignment of how some of those functions are organized. The chart shows that there are fundamentally three different kinds of activities the department is involved in. The first part is long-range planning and policy for the region. The second activity is about short-term implementation (making things happen on the ground) and includes transportation implementation and development programs. It involves implementing the long-range policy. The third activity is the research and modeling services, which is the technical support and research, data and forecasting functions necessary to carry out the Metro's job, within Metro and externally. He said it raises some questions about organizational assignments. One for example is performance measures. Right now it is in the long range policy and planning area. They realized that they needed to institutionalize the data collection function of performance measures in the Research and Modeling Services area.

Another question raised is in the Regional Travel Options (RTO) Program and the Livable/Green Streets Implementation. Right now it is in the Long Range Policy and Planning sections, but really it is more about implementation. With RTO they are just now changing from a policy function to an implementation function, with the transition from these functions to TriMet.

Livable Streets and Green Streets has had standards set and now needs to be implemented. Those projects have been lagging because it is difficult to move them through the Oregon Department of Transportation (ODOT) permitting and design process.

A third area of organizational question is in economic development. It raised the question of whether this is a long-range urban form question or is it a short-range implementation question. He thinks it is more the latter than the former. It is about how to do development now.

He raised a series of specific questions that relate to these three areas.

President Bragdon asked about new area planning and where it fit. Mr. Cotugno pointed out that it is included under Long Range Policy and Planning under Integrated Land Use Transportation Concept Planning. The two parts of that are the 2040 Growth Concept work and New Urban Area Concept Planning.

Councilor Burkholder asked about Transportation Revenue Development, and that the Public Affairs and Government Relations group should be lead and integrated with Planning. Mr. Cotugno said there were more places than that where that type of integration question applies.

Councilor McLain asked about neighboring cities and that it should be included. Mr. Cotugno said it is included under Big Look under Long Range Policy and Planning. She feels neighboring cities relationship issues is a little different than 2040/Big Look.



He referred to page 9 and the issues for the Long Range Policy and Planning section. [The issue numbers used in Mr. Cotugno's verbal presentation do not correspond directly with the printed document because the first issue, the manager position, is not numbered in the printed document.]

**Issue 1: Long Planning Division Manager Position**

There are three managers for the three areas, but no director for long-range planning that they have had in the past, to be able to execute this portfolio. It is important as they move from old work to new work. Councilor Burkholder said it seems like the outlines Mr. Cotugno had done of the department better defined what type of person and skills would be needed in that role. Mr. Cotugno sees that there also are other organizational staffing issues.

**Issue 2: Periodic Review Cycle for the Urban Growth Boundary**

The second issue is the need to move the five-year periodic review cycle from five to seven years. Mention was made of a 12-year cycle. From a staff assignment, it affects the budget and work program. If it is not redefined, then the Planning staff is back on that treadmill. Councilor Hosticka asked if that was from a managerial point of view, and Mr. Cotugno agreed that it is.

**Issue 3: Paradigm for Review of 2040 Policies (Big Look)**

**Issue 4: Big Look Outreach Level of Effort**

The next two issues relate to the Big Look effort. One is where the state effort will go with their work and how Metro wants to participate in that. Metro could wait and see what they do, or try to shape what they do. It affects how Metro does business on this. Also many outreach efforts need to be spelled out for Issue 3. There's an infinite range of outreach possibilities.

Councilor Hosticka said that at a state Division of Land Conservation and Development (DLCD) committee meeting, they used the term "Big Look" in a different way. Metro is using it in a substantive meaning. The state is using the term as a process look. Mr. Cotugno feels that there may be overlap with the state's work on this. Mr. Cotugno said that if the state is going to ask the question "How do you do business?" that controls how Metro does business. Through the UGB process, Metro is controlled by their process. At a minimum, all of the issues that have been raised about the 20-year supply, the hierarchy and how you apply it, etc. is going to be tackled as part of their process. He thinks they should tackle some of the substantive issues, not just the process/procedural issues. He raised the question as to whether the state's process should tackle questions of governance over local jurisdictions. It also raises questions about transportation questions and ODOT's functions for connections outside the region to all the neighboring jurisdictions.

Councilor Burkholder asked for some more discussion of Issue 3 and the three approaches (listed under Issue 2). One approach is to keep going. Another approach is to help shape the state's discussions. He asked what we could do. Mr. Cotugno said they are proposing to initiate their Big Look with a bill. If it is a bill, it will go through the legislative process. It will prescribe what they will undertake. That is an opportunity to shape their process. Councilor Burkholder asked for more clarification on the implications for budget, in terms of what we can afford and what direction Mr. Cotugno thinks Metro should go in. Specifically, he asked for the difference in staff resources needed for each. Mr. Cotugno said there is a higher demand on staff resources in anything that deals with interfacing with the rest of the state.

Mr. Jordan said these three strategies are not either/or. They may all three be done simultaneously. He said they will be continuing as is budgeted for with Phase 1 activities this current fiscal year. Metro may choose to actively interact with the state on shaping of its program,

and then move to start initiation with our neighboring governments. The outreach process could be narrowly defined or it could be broader. President Bragdon said he spoke with Lane Shetterly, Director of the Division of Land Conservation and Development, last week and they are going to introduce a bill that is a four-year program. Many of the topics were not relevant to urban areas (secondary lands). He thought that the four-year horizon seemed excessive.

Councilor McLain said she does not understand how Metro would not interface with the state on this issue, because at the end Metro would have to come up with making sure that Metro can be acknowledged with whatever Metro wants to do. It seems like there would always be that part. She said she thought this was also on our legislative list. She thought Metro had said it wanted to be more active, some of it monitoring.

Mr. Jordan said the Council will have a final discussion next week on that program and will want to look at how active it wants to be in shaping the state process.

Councilor McLain said she hopes that Metro has more interaction and conversation with the State. She said if they don't have issues that relate to Metro, perhaps Metro could ask them to add some.

Councilor Park said he thinks Metro has a lot more in common with the rest of the state than we might think. The scale might be different, but they are similar in many ways. Metro does need to participate, because if Metro is not there, the perception of what they think may be the solution, may be the antithesis of what Metro needs. Metro's involvement may be at a higher level than it may desire, as Metro gets involved for self-preservation. Metro should think about shaping the discussion, instead of just being reactive.

Councilor Hosticka said Metro should not wait for the state outcome before Metro starts talking to its neighbors, and before Metro starts thinking about what substantive outcomes it wants to have. He understands that there may be cost implications to pursuing two tracks, but he feels that if they went sequentially on this, then his successor would be happy to consider the outcomes in his/her second term.

#### **Issue 5: New Urban Area Planning**

Mr. Cotugno said that things are going well in the Damascus area, but slowly everywhere else. They are looking for directions. They have gotten some grants, especially through the Metropolitan Transportation Improvement Program (MTIP) process, and could look for more. Mr. Jordan said the sequencing of the planning is critical, not just who pays for it. We are moving the boundary, but are not preparing areas for the planning in an expeditious way. One of the problems is capacity to do the work. It is important to get direction from the Council on how to pursue it and the sequencing.

Councilor McLain said she especially liked the community solution teams done by the state before. She thought they were very effective, especially in the case of Cornelius and how much the Cornelius community appreciated it. She hopes that Planning can pursue tactics and tools where Metro can make or be part of a model of a team that would be helpful. She thought a one-stop planning shop would be good, with the permit piece following that. She thought maybe Metro could get state money if Metro thought it could help the state with its industrial planning.

Councilor Park said he's rather conditional on this topic. When he first got to Metro it was like a beauty contest to see the prettiest plans to bring properties inside the UGB. He does not want to

go back to a beauty pageant again. But he is okay with preparing plans and sequencing for urban reserves that Metro has established.

Mr. Jordan said various Councilors had previously commented about how efficient sequencing could work that would get Metro off the contentious treadmill that we are on. Even if the cycle were lengthened, the structure that is currently used puts Metro in a very contentious situation. They need to change the process so it works more efficiently for the development community, and for the local communities where the UGB boundary has been moved. Local communities need the capacity to do the planning and the predictability of what's actually going to be coming into their community in the future. This is what they are trying to synthesize.

Councilor Park said he is interested in more certainty for the individual landowners who bought a house near the edge in an urban reserve area so that they know that there will be additional urbanization beyond them. He talked about using indicators about when the UGB would be moved inwards. If the local jurisdictions have invested the money in the planning, then it is just a matter of the metering of that. This is a much different discussion than what they have had in the past.

Mr. Jordan said they may be able to figure out some financial tools to help Metro with the concept planning piece. But it is just the nub of the financial problem that local governments seem to be facing at the edge when Metro brings on new communities (e.g., Damascus). If Metro can establish more long-term certainty for an area, it puts the regional community in a position of trying to extract or send signals about the cost of infrastructure for those new areas. The costs should not go to the end user, but should be pushed back to the land.

Councilor Burkholder said he sees the potential budgetary issues right now with land that was brought in last time. If Metro is to retain the validity of the process, it needs to make sure land brought in, can actually be developed.

President Bragdon said we need a more comprehensive approach, with the growth paying more of its own way for the planning and the infrastructure. Planning is only one of many public services that need to be provided in new areas brought in. Otherwise existing residents end up paying excise tax that is exported to the edge of town.

Councilor McLain asked about the issue of metering. How can it be done without making the have versus have-nots any worse? If it is taken back to the urban reserves level, it makes sense to her, because then the question is where should it be because of the overall regional system of growth. She does not understand the metering if it is down at the subregional level. At the subregional level, the equity issue would have to be discussed.

Mr. Jordan said he agrees that the urban reserve is the most easy-to-reach tool presently at the Council's disposal. As Metro interfaces with the state on the Big Look, there may be a variance on that tool, or new tools altogether, or amendments to state law that allow us to have more flexibility regarding those things. In the discussions he has heard from the Council, there is a mental construct that could get Metro there using existing tools, if they did the right work and sequence them in the right way. That's a big convening and leadership role that the Council has discussed in its strategic discussions.

Councilor Burkholder said he agreed that these are important issues, but they need some development before going ahead in any direction at all. Councilor Newman clarified that these

sessions are as much for the Council to give Mr. Cotugno feedback as they are for the Council to give President Bragdon and staff feedback on his proposed budget. Councilor Burkholder further clarified that he meant to say that they don't have to solve the problem of urban reserve planning with this discussion.

Councilor Burkholder suggested that Issue 1 (regarding the new planning director position) would be a good issue for the Council to make a recommendation on to Mr. Cotugno.

Mr. Jordan clarified that in the current fiscal year, the funds for the director position are in contingency, and staff would have to come to the Council to spend them.

Councilor Park requested that they discuss Issue 1 last. Councilor Burkholder agreed.

### **Issue 6: Mixed-use Area Planning**

Mr. Cotugno said most of the planning has been done for the various town and regional centers, but there are a few that have lagged behind, including Beaverton-Hillsdale Scholls Oleson intersection and West Portland Town Center. Metro may want to go back and revisit some of those places, although it may not be right to go back to some. The Beaverton-Hillsdale Scholls Oleson intersection is being called on as part of the current MTIP process. The project they are requesting would allow them to go back and reconsider a town center. Metro would only want to do the project if they did go back and reconsider a town center. The Council may want to help instigate the mixed-use center planning process in other such strategic places. Most of the centers work is implementation, which will be discussed later.

[Mr. Cotugno skipped talking about what is listed as Issue 6 in the printed document, School Siting Requirements, so from this point on, his issue numbers correspond with the printed document.]

### **Issue 7: Annexation into the Metro Jurisdictional Boundary**

Mr. Cotugno said this issue deals with the question of how proactive Metro wants to be in getting areas annexed. Now Metro has territory all over the region that is outside Metro's district.

### **Issue 8: Local Plan Compliance**

#### **Issue 9: Water Supply Consortium**

Mr. Cotugno said Metro has only a nominal level of effort in these two areas, and he thinks it is fine if they want to keep that nominal level of effort, but thought he should raise the question. The Water Supply Consortium is in this section because Metro relies on them to come up with that component of Metro's Regional Framework Plan. Metro gets a lot of leverage from them. Metro has a minor contribution. They do all the work. It satisfies one of Metro's charter obligations. So it seems like a reasonable thing to continue.

He said that the Regional Emergency Management Group (REMG) is one Metro program that does not fit under the objectives identified by Council. It does not fit under the planning objectives. It might fit under an objective that deals with efficiency of public services, but organizationally it does not fit. On the other hand, it is not a very high level of effort. Metro provides some coordination of services and could continue to do so, if the Council thinks that is a good idea.

**Issue 10: Priorities 2006-09 MTIP Update**

Mr. Cotugno raised the question of how Metro is applying for the MTIP money and if they should be more strategic about how it is going after those funds.

**Issue 11: Address Federal Certification Corrective Actions**

Mr. Cotugno said Issue 11 has just now come up. About a month ago Metro went through its triennial certification review with the Federal government, and they identified some areas where Metro is going to have to do some improvements in order to meet their requirements. The most important is the Regional Transportation Plan (RTP) update, because it affects the budget decision the Council made for this year. The RTP update was put off this year. The federal government said there is a federally-mandated three-year cycle that is absolute. With federal programs, there is no opportunity for extension. If the plan lapses during that three-year cycle, then no projects can get built until that plan is current. So Metro needs to plan on an RTP update before the end of the cycle, and budget staff accordingly in next year's budget. Metro does, however, have control of how big of a deal it makes the RTP update. Metro wants the policy direction to lead and then the RTP update to carry out that policy direction. The RTP update does not need to be a re-evaluation of everything and does not need to be opened up to new projects. He said some existing projects need to be incorporated in the plan. This is pretty high-priority area because the federal certification controls Metro's ability to spend the planning funds Metro gets from the federal government, as well as other local jurisdictions' ability to spend the construction dollars that they get from the federal government.

**Issue 12: Expanded Role in Statewide Planning**

Mr. Cotugno said Issue 12 deals with Area Commissions on Transportation (ACTs) and Metropolitan Planning Organization (MPO) Summit. The more they move into supporting those activities, the more it demands of staff to support those activities.

**Issue 13: Metro's Role in Natural Resource Implementation**

Issue 13 is the Goal 5 discussion. Mr. Desmond had referred to this. It depends on the Council and the direction it takes. The Council is at a critical point to define it. It has budget implications. Councilor Burkholder requested that they have this discussion during work session as well, and Mr. Cotugno agreed. Councilor Hosticka asked how soon they would be able to get information on the budgetary implications of the various strategies. The staff will not flush out the budget implications before the Council is scheduled to vote on it. Councilor Monroe commented that that makes it a little hard for the Council. The Council will discuss at 2 p.m. today the level of detail it wants.

**Issue 14: Metro's Role in Stormwater Management**

The question is whether Metro will have some kind of role in stormwater management. The staff suggested two roles as possibilities. The first is to be a support function to the state, which has the lead Clean Water Act responsibility. The second is to be the facilitator and information sharer between the local who are responsible to the state in meeting the Clean Water Act responsibilities. He feels there is room for Metro to serve facilitating the local and state agencies, as opposed to taking on some new authority. The third option is to not get into regional stormwater management at all.

**Issue 15: Metro's Role in Supporting Affordable Housing**

The Council has had some initial conversations regarding the Housing Technical Advisory Committee (HTAC). The first option is to give a try at a voluntary approach. Metro is now at the end of that. The question is whether or not Metro moves into a regulatory approach or not. Option

twp is to be more proactive in providing technical support to local governments to do a better job at the voluntary approach Metro has already given them. The third option raises the question of should the focus be not so much on delivering units of affordable housing, but dealing with the question of how the affordability is a result of all of our policies. How do our policies protect affordability across the scale, not just for the 50 or 80 percent niche? Councilor Newman noted that these options are not mutually exclusive. Councilor Burkholder said that at the November 2, 2004, work session they will have a discussion about housing and a draft concept paper from Councilor Burkholder that will start the discussion.

#### **Issue 16: Efficient Production of Performance Measure Reports**

Mr. Cotugno said that Gerry Uba, Long Range Planning Projects Manager, completed the performance measures report that includes measures of issues outside the Planning department, namely Solid Waste and Recycling and Parks. The fundamentals in the performance measures has somewhat morphed into the Council's strategic planning goals. Mr. Cotugno is not sure if the Planning department is the group to do the measures for the other departments. It is an opportunity to make it clear that the performance measures function is the one that deals with the policy assessment, and not the data collection. He sees other opportunities to tie in third party data (e.g., Portland State University), both to improve Metro's own assessment, but also to have others buy into this assessment as well.

Mr. Cotugno jumped to page 23 to discuss the issues and opportunities of the Transportation Implementation portion of the Planning Department.

#### **Issue 1: Need for a Rail System Plan**

Mr. Cotugno asked if Metro should be doing a new system plan for the rail system of the region. They do not have a very long-range perspective beyond the corridors they are working on right now. Those questions have been raised in the Oregon City and Damascus areas, particularly. Issues have also been raised about commuter rail to McMinnville and Newberg.

#### **Issue 2: Metro's Role in Streetcar Projects**

What role does Metro want to play in streetcars? The streetcar to date has been a City of Portland initiative. Metro has been asked to expand that initiative into the Willamette Shore, and has been asked to participate in the Eastside Streetcar Project.

#### **Issue 3: Milwaukie Light Rail Transit (LRT) Project**

Does Metro want to be involved in implementing the Milwaukie light-rail project? That is driven by when the money comes together. If they are successful in getting money from the legislature and they have a ballot measure to raise the remaining funds, then they have to move quickly. The need to do the draft environmental impact statement (EIS) and preliminary engineering. If those funding sources are not coming through, then that work would be delayed. That is a significant implication for staffing and consulting support for Metro, and TriMet also. Planning Manager Richard Brandman said it is a larger issue beyond that. If they do not move forward with the Milwaukie Light Rail project, then Metro will go to zero on their federal allocations for light rail. The larger issue is whether or not Metro going to have a continued light rail presence in the US Congress.

#### **Issue 4: Define Appropriate Metro role in Highway Environmental Impact Statements**

Mr. Cotugno said Issue 4 raises the questions of what role Metro's should be playing in doing the highway studies. Metro is the lead on the Highway 217 study now, but that is a precursor to EIS. Clackamas and Washington Counties are the lead on the two EISs--Sunrise Corridor to the east

and I-5 to 99W Connector to the west. Those EIS processes raise big questions about the scale of the facility, the location of the facilities, relation to surrounding land uses for those facilities, etc. Metro has been involved with those because ultimately the conclusion results in amendments to Metro's Regional Transportation Plan (RTP). It has not, however, been clear what is the right division of roles and responsibilities between the state, Metro and local governments.

President Bragdon asked about how the EIS helps shape a project. He had previously assumed it was a neutral evaluation of an defined project, but now he sees that it actually helps shape what the project is, the judgments made in an EIS can lead to a different project. Mr. Cotugno said the EIS provides an opportunity for intervention. If someone else is doing the EIS, then they are defining the alternatives that will go into the EIS. Metro has the opportunity to intervene on that, but it is different when you intervene verses when you are generating those alternatives.

Councilor Hosticka talked about the I-5 to 99W Connector Project. Washington County is the lead planner in EIS, but at least one potential alignment does not go into Washington County. He said it is a serious question whether Washington County would give that alignment legitimate consideration along with the other alignments. Mr. Brandman said what you study is a function of what perspective you bring to it. The lead agency establishes the desired purpose. If Metro were the lead agency in the EISs in the road side, as Metro is in the transit side, you would see a whole different perspective, conversation and emphasis. The legal basis for intervening on an EIS is whether or not the alternatives considered meet the purpose and need that has been set. The purpose and need can be set to be narrowly defined or broadly defined, and that determines the type of alternatives considered.

**Issue 5: Revisit Corridor Priorities and Identify the next Priority Corridor**

In the past five years Metro has made substantial progress on the corridor studies set out five years ago. They need to revisit it to set out the agenda for the next five years. Money has been set aside on a regular basis for the MTIP process, but they do not have defined what is that next priority. Work needs to be done to update that. Councilor McLain mentioned Tualatin Valley (TV) Highway.

**Issue 7: Ballot Measure for Transit and Highway Projects**

Are we going to the ballot in 2006 for transportation revenue development? If we are, we need to budget for it. They have tied whether or not to go to the ballot to what happens in the legislature, which they will not know until the spring of 2005. They included it in the budget because they think they will go to the ballot in 2006.

**Issue 6: Need to Secure a Stable Funding Source for Project Development Activities**

Metro is working like a consultant on a job-to job basis on the corridor studies. It creates instability to work on a job-to-job basis. The other issue is the required front work that has to be done before the money starts to flow. There is a baseline core of resources needed to create a bridge between jobs.

**Issue 8: Better Align Freight Program with the Council's Economic Development Goals**

Freight programs is a question of emphasis. They have budget available, but there is a linkage here depending on what is decided on the economic development strategy of linking meeting the freight needs with the economic development strategy. There is a tie to the industrial lands and access to those industrial lands.

President Bragdon asked about how that overlays with what the City of Portland does. He noted that the City has a committee and significant freight facilities for the region (e.g., Swan Island and the Port). Mr. Cotugno agreed that the city is doing work that Metro can leverage. They are inwardly focused on the city, but some of their facilities have regional impact. The Portland Freight Committee has suggested that the same people, with some additions to cover the rest of the region, comprise the regional freight committee. President Bragdon said he thought you would want to have many of the same people on the Portland committee. He noted that of the many trucks going in and out of Swan Island, only a small percentage of them begin and end their trips within the City of Portland.

Councilor Burkholder checked on the time needed. Councilor McLain suggested that the Council just read the document. President Bragdon and Councilor Burkholder said they wanted to continue the presentation. They discussed various time possibilities and agreed to continue the presentation with Mr. Cotugno at 12 noon tomorrow, Oct. 27, 2004, in the Council Chamber, before the Council retreat at 1 p.m.

Councilor Burkholder said he wanted to go back and give Mr. Cotugno some direction on Issue 1 regarding the planning manager position, and the timing for it.

Councilor Park said he's had a concern for years for Mr. Cotugno. Mr. Cotugno has been keeping up the pace handling it all by himself for five years. Councilor Park feared he would burn out. He is supportive of giving Mr. Cotugno more help, with Mr. Jordan's oversight on how to utilize it. Councilor McLain is also in favor of going forward with the position. Councilor Newman said he is supportive. Mr. Jordan clarified that staff would have to come to the Council with a budget amendment to use the money that is currently in contingency. Councilor Burkholder said he would like to see the job description because he feels they need a particular type of skills for leading the long-range planning phase, but he is supportive. President Bragdon said he would reserve judgment, but at this time he is not supportive. Councilor Hosticka said he wonders if this is the right level of discussion for the Council, but since they are involved in it now, he is supportive of filling the position.

Mr. Jordan said he thinks now is timely to fill the position. Staff has been querying the Council to get the Council's sense of emphasis and where they should be extending their resources. The skills and talents that they try to recruit will have to match up with what the Council wants in terms of fulfilling goals and objectives (e.g., with the Big Look work). Councilor Hosticka said it would be helpful to see the increased level of performance they would get from that large investment.

There being no further budget business to come before the Metro Council, Councilor Burkholder recessed the budget meeting at 2:02 p.m.

Prepared by,

Linnea Nelson  
Council Support Specialist



**ATTACHMENTS TO THE PUBLIC RECORD FOR THE BUDGET MEETING OF  
OCTOBER 26, 2004**

Item	Topic	Doc Date	Document Description	Doc. Number
Memo and Report	Planning Budget	10-25-2004	Strategic Planning/Budget Discussion, Discussion of Programs, Issues and Opportunities, Planning Department	102604CWB-01
Report	Parks Budget	10-14-2004	Strategic Planning/Budget Discussion, Discussion of Programs, Issues and Opportunities, Regional Parks and Greenspaces Department	102604CWB-02