



METRO COUNCIL WORK SESSION
Meeting Minutes
February 19, 2015
Metro Regional Center, Council Chamber

Councilors Present: Council President Tom Hughes, and Councilors Bob Stacey, Shirley Craddick, Carlotta Collette, Craig Dirksen, Kathryn Harrington, and Sam Chase

Councilors Excused: None

Council President Tom Hughes called the Metro Council work session to order at 2:25 p.m.

1. CHIEF OPERATING OFFICER COMMUNICATION

Chief Operating Officer Martha Bennett updated the Council on the following items:

- Ms. Bennett let councilors know that both council meetings have been canceled for the last full week of March.
- Ms. Bennett also announced that Council recess will be taking place August 11th through the 25th.

2. SECOND QUARTER FINANCE REPORT

- Mr. Tim Collier, Deputy Director of Metro's Finance and Regulatory Services Department presented to Council the Second Quarter Finance Report. This report was meant to help inform the Council about the state of Metro finances through the second quarter of the fiscal year. The overall news is that the revenues performed very well, with expenditures coming in under budget, but roughly in line with expectations. This report is meant to fulfill a requirement of Metro's financial policies for monitoring and regular reporting to the Council of the budget's performance.
- Highlights included record ZooLights attendance that helped recover gross enterprise revenues from the deficit observed in the first quarter, though total attendance to the Zoo is still lower than the prior fiscal year. Solid Waste funding is up over last year, but still slightly below the budget. The construction excise tax continues on pace. The venue, food and beverage side of the budget margins are overall very good. Portland 5 and OCC are having very strong years, while the Expo Center is performing below what was originally budgeted.
- Areas to watch included:
 - A gap in the Zoo's budget
 - The Research Center not meeting its revenue targets
 - Expo revenues being about 10% below what was originally budgeted
- Overall there is a positive outlook into next year.

Council Discussion:

- Councilors inquired about the funds for the Research Center and if there was an analysis done for that service. Mr. Collier responded that there is a certain amount of general funds available and that the model for funding has entered a cost recovery mode. The actual requested work has not matched what was budgeted for. The research trends in this area include more work for the Office of Emergency Management and transportation modeling.
- Councilors also inquired about the relationship between the Research Center and PSU, and if PSU is taking on any of Metro's responsibilities. Mr. Collier responded that PSU is not taking on any of Metro's responsibilities, but that Metro collaborates with PSU and the State of Oregon and they share data.

3. BUDGET PROCESS AND SCHEDULE DISCUSSION

- Mr. Collier provided a General Fund recap over the last three years. Over the last three years the economy has recovered from the recession, the Parks and Natural Areas Levy passed, additional excise taxes were recaptured, the Zoo was moved from the general fund to the enterprise fund, and there have been expanded and added ongoing programs.
- First order decisions for the 2015-2016 General Fund Budget include the continuation of limited duration FTE's, assessing the Research Center shortfall and the 2nd consolidated amendment on March 19th. The 1st round of FLSA payments for employees who were changed from exempt to non-exempt were paid back overtime for their last 2 years of work.
- Some of the main themes in this year's budget questions regard IS (information services) capital projects, MRC deferred maintenance projects, and Zoo personnel and infrastructure projects.
- The Solid Waste Fund rate is scheduled to come before Council in March and is currently projecting a 0-3% increase in 2015-2016.
- The MERC Fund is projecting record years for OCC and Portland '5, while Expo balances, but continues to use capital fund balances.

Council Discussion:

- Councilor Harrington inquired about the Council Office travel expenses and if the budget was balanced. Ms. Bennett responded that Council Office travel expenses are traditionally under spent. Ms. Bennett added that travel opportunities are important for personal career growth for Councilors and staff, and can help raise awareness about Metro.
- Councilors and Ms. Bennett discussed issues in the Planning Department, corridor work, development work, significant vacancies in the Planning Department and losses of senior and principal planners. Ms. Bennett would like to refrain from adding staff to program areas that Metro cannot afford and focus on adding programs, software, and technology that will make current staff more efficient. Internal departments that support Metro such as Human Resources and Information Services have experienced increased workload, while their employment rate has not increased enough to accommodate for the increased work. There has also been an increased rate of turnover in recent years. The changes in these departments were requested to be seen by the Metro Council.
- Councilor Harrington expressed the need for having fast and secure information and business operation systems.

- Council President Tom Hughes announced that the City of Portland just raised minimum wage for full time employees to \$15 per hour. This may lead to pressure for Metro to do something similar and that should be analyzed to see how raising the minimum wage would impact future budgeting.
- Councilor Craddick inquired about Metro's increased turnover rate. Ms. Bennett responded that as the economy has been recovering people are more willing to take risks in leaving their current jobs for new opportunities and the turnover rate for Metro is not unusual. Metro does conduct exit interviews for its employees, asking what they enjoyed about the job and what they did not like.

4. COUNCIL LIAISON UPDATES AND COUNCIL COMMUNICATION

Council Discussion:

- Councilor Harrington updated members about the next "Let's Talk Trash" event, which will be held on May 5th. Let's Talk Trash is a series of events that raise awareness and generates discussions about ways the Portland Metropolitan region can best manage its garbage and waste in the future.
- Councilor Harrington also updated members that "Nerd Night" at the Clinton Street Center has been renamed "Science on Tap" and that upcoming events will be on March 19th, April 7th and May 15th.

5. COUNCIL LIAISON UPDATES AND COUNCIL COMMUNICATION

Seeing no further business, Council President Tom Hughes adjourned the Council work session at 3:35 p.m.

Respectfully submitted,



Botond Kovacs, Council Policy Assistant

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEB. 19, 2015

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1.0	Agenda	02/19/15	Metro Council Meeting	021915cw-01