

MINUTES OF THE METRO COUNCIL MEETING

Thursday, March 24, 2005
Metro Council Chamber

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

Councilors Absent:

Council President Bragdon convened the Regular Council Meeting at 2:00 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Michael Hammons, 20320 SE Hwy 212, Damascus, Oregon 97015 said his main concern was with Ordinance No. 02-969B. He was looking for direction. He felt that the local jurisdictions didn't seem to be working well together concerning the proposed annexation of Happy Valley. His question was, was it up to Clackamas County or Metro to coordinate the effort? Council President Bragdon said Metro was not a party in the Land Use Board of Appeals (LUBA) case. Councilor Park asked Mr. Hammons if his intent was to keep a separation of cities. Mr. Hammons said yes. Councilor Park said he believed it was a separation of town centers not cities. Mr. Hammons said they were trying to figure out where those town centers should be. He spoke to natural features. Council President Bragdon said his recollection was that the boundary would be east of 172nd. He knew that was part of the dispute. He thought this issue was playing out through LUBA. He thought that Michael Jordan, Chief Operating Officer, might have an awareness of the issue.

Mr. Jordan said the intent of Exhibit M of Ordinance No. 02-969B was the separation of town centers not cities. His understanding was that this was under dispute. There was a meeting tonight to discuss this issue. Councilors asked questions concerning the issue and the dispute. Mr. Hammons concluded by saying that his hope was that Metro, Happy Valley, Clackamas County and Damascus work this out together.

Carolyn Jones, 2818 S. Poplar Way, Lake Oswego, OR 97034 said she was strongly speaking out against Metro's Goal 5 proposal. The Goal 5 proposal was another layer of protection for the region. She felt that the program was based on fraud. There was no protection at all. The lake front owners of Lake Oswego had no regulation. She raised the question, what was the point of regulating stream corridor when the primary points of pollution were at the waterfront. She talked about Mayor Hammerstad's comments about Lake Oswego being a big bathtub. Ms. Johnson said twice voters had sent messages that they didn't want interference with their property. She asked Council to cease and desist until they had a plan to pay the property owners.

3. GOVERNMENT FINANCE OFFICERS ASSOCIATION DISTINGUISHED BUDGET PRESENTATION AWARD

Bill Stringer, Chief Financial Officer, said he was pleased today to present to the Metro Council their finance department's eleventh annual award. They had met the criteria that Government

Financial Officers Association (GFOA) had set forth. He expressed particular appreciation to the Financial Planning staff.

5. QUARTERLY FINANCIAL REPORT

Bill Stringer, Chief Financial Officer, said the quarterly report contained for the first time the auditor's recommendations and the status of those recommendations (a copy of the power point presentation is included in the meeting record). The Office of the Chief Financial Officer would be responding to the audit reports. They would also present to Council any change in status. Councilor Liberty wanted to know what "other" meant. Mr. Stringer explained the "other" category. Mr. Stringer gave an overview of the audit recommendations and provided an update on those audit items. He then gave an overview of the excise tax. There had been an increase in tonnage, which had permitted Solid Waste to totally fund their portion of the excise tax. He noted that the Oregon Convention Center (OCC) excise tax was up by about 19.8%. Councilor Newman asked about the Zoo excise taxes status. Councilor Park asked about tonnage. Mr. Stringer responded to their question. He reminded the Council that this report was for the first two quarters.

He provided an overview of all funds over the past four years. He then provided details on expenditures. He felt the revenue versus expenditure was good news for 2005. He highlighted the various departmental fund balances. Councilor Newman asked about the budgeted fund balance. Kathy Rutkowski, Budget Manager, responded to his question. Councilors asked about the up turns in OCC's business. Mr. Stringer felt there were challenges involved in Metropolitan Exposition Recreation Commission's (MERCs) budget over the next few years but food revenues were up this year. Council President Bragdon noted that food revenues were sensitive to economic changes. Mr. Stringer then provided an overview of the Planning fund. Councilor Liberty asked questions about the grant funding. Ms. Rutkowski responded by talking about the tracking and billing system for grants. Mr. Stringer added that they were developing a new grants billing system.

Mr. Stringer noted that the Parks Department revenues were down primarily because of weather. Councilor Newman asked what was the spike of expenditures in November. Ms. Rutkowski responded to his question. Mr. Stringer provided an overview of Zoo revenues and expenditures. He spoke to exit incentives and the effects on the Zoo.

Mr. Stringer provided a summary of the Capital Improvement Program (CIP) for solid waste, parks, MERC and the Zoo. Councilor Newman asked about MERC not choosing to be part of the CIP and was that allowed under the Code? Dan Cooper, Metro Attorney, said the Council amended the Code for MERC to allow for a total MERC budget, but they could move revenue around. Councilor McLain talked about the history of the Code changes. She felt Councilor Newman brought up a good point. They had asked for updates from MERC. She felt there needed to be a joint meeting between MERC and Council so there was coordination concerning the budget and the CIP. Council President Bragdon said he had talked with the new general manager about the capital planning. They were scheduling a joint meeting in early May. Councilor Newman requested one-on-ones with the new general manager.

Mr. Stringer continued talking about the Zoo's CIP. Councilor Liberty asked about the support service fund. Deputy Council President Burkholder noted that they had not had a chance to review the documents and suggested asking questions about the report at a future date. Mr. Stringer said they would present additional detail at next Tuesday's work session. Ms. Rutkowski responded to Councilor Liberty's questions about the support service fund.

4. FIVE YEAR FINANCIAL OUTLOOK

Bill Stringer, Chief Financial Officer, provided an overview of the agency's five-year financial forecast. He reminded that on March 29th they would meet in work session to discuss the report in detail. The forecast assumed the status quo. It didn't presume any changes in programs or policies. He talked specifically about the Planning Department. Councilor Hosticka asked for a brief description of a reserve and an ending balance. Council President Bragdon asked about the consolidation of the general fund and how they would look at the differences from previous times. Councilor McLain talked about the renewal and replacement account. Ms. Rutkowski responded to the Councilors questions. Mr. Stringer continued with his report on the financial conditions with respect to the Parks Department. Councilor Burkholder talked about expenditures growing faster than revenues. The reason was that many of the costs were rising faster than revenues such as health care and retirement costs. These were expenses beyond Metro's control.

Councilor Newman asked how disciplined these projections were over time. Mr. Stringer said these were based on current services, which reflected medical costs increases, increases in retirement contribution even without consideration of the court case as well as known changes in funding such as the Visitors Development Fund and grant funding. It was generally a current service projection. He briefed the Council on the Zoo forecasts. The current service level was unsustainable. Brad Stevens, Financial Department, talked about the Zoo fund balances. Councilor McLain said she was interested in the model for the five-year projections. Mr. Stringer provided the MERC forecasts. Councilor Liberty asked about the increasing costs. Ms. Rutkowski said personal services costs were ever increasing and were the primary reason for the costs rising faster than the revenues. Mr. Stringer detailed the Solid Waste and Recycling forecast. He was available to answer questions next Tuesday at the work session. Councilor McLain suggested talking about the strategic planning processes and how they applied those goals and objectives with the current presentation.

6. CONSENT AGENDA

6.1 Consideration of minutes of the March 17, 2005 Regular Council Meetings.

Motion:

Councilor Burkholder moved to adopt the meeting minutes of the March 17, 2005 Regular Metro Council.
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Vote:

Councilors Burkholder, McLain, Liberty, Park, Newman, and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed with Councilor Hosticka abstaining from the vote.

7. ORDINANCES – FIRST READING

7.1 **Ordinance No. 05-1075**, Confirming the re-adoption of Metro Code 7.03 (Investment Policy)

Council President Bragdon assigned Ordinance No. 05-1075 to Council.

8. ORDINANCES – SECOND READING

8.1 **Ordinance No. 05-1076**, For the Purpose of Amending the FY 2004-05 Budget And Appropriations Schedule by transferring \$90,250 from Contingency To Materials and Services in the Zoo Operating Fund for Expenses Associated With an Additional Concert.

Motion:	Councilor Newman moved to adopt Ordinance No. 05-1076.
Seconded:	Councilor McLain seconded the motion

Councilor Newman said this ordinance would amend the budget to allow for an additional concert, Lyle Lovett would be performing at this concert. He spoke to costs and revenues and the net gains. He encouraged support of the ordinance.

Council President Bragdon opened a public hearing on Ordinance No. 05-1076. No one came forward to testify. Council President Bragdon closed the public hearing.

Vote:

Councilors Park, Hosticka, Burkholder, McLain, Newman, Liberty and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.

Mr. Jordan acknowledged Sarah Chisholm’s service to Metro and to the Oregon Zoo. Councilors acknowledged her contributions.

9. RESOLUTIONS

9.1 **Resolution No. 05-3529**, For the Purpose of Allocating \$62.2 Million of Transportation Priorities Funding for the Years 2008 and 2009, Pending Air Quality Conformity Determination.

Motion:	Councilor Burkholder moved to adopt Resolution No. 05-3529A.
Seconded:	Councilor Park seconded the motion

Councilor Burkholder briefed the Council on Resolution No. 05-3529A. He said this resolution was just approved at Joint Policy Advisory Committee on Transportation (JPACT) this morning. He spoke to the technical changes having to do with the Springwater Trail and the Cully Boulevard projects. Council did not object to these two changes in the document. Councilor Burkholder briefed the Council on the decisions made at JPACT this morning and the process they had gone through to come to this decision. Most of the projects met the criteria that Council had laid out. They were over budget by about \$900,000. There was a base package and several additions that occurred this morning at JPACT. He talked about the adds to the package (a copy of these changes were included in the record) which made up the bulk of the \$900,000. He talked about the detailed conditions applied to the categories. He thanked staff and JPACT for their efforts. He urged support.

Councilor McLain asked what they were estimating from TEA-21. Councilor Burkholder responded to her question. Councilor Newman thanked his colleagues Councilors Burkholder and Park for their efforts. He felt it was a good process. He also thanked staff for their work. Councilor Park also acknowledged the staff. He felt they had upheld the wishes of the Council.

Councilor Liberty also thanked his colleagues. He was very happy with the projects on the list. He felt this represented much more of a balance. Council President Bragdon echoed the Council's comments. He felt that Councilor Burkholder's diligence and the other two Councilors who served on JPACT were instrumental in moving the process along and sticking to the criteria. Councilor Burkholder said he had learned from the master, Councilor Park. He relied a lot on Councilor Park's negotiation skills and guidance. He summarized the process.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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9.2 **Resolution No. 05-3557**, Authorizing the Chief Operating Officer to sign the second addendum to Metro's 2002 Intergovernmental Agreement (IGA) with the Tualatin Basin Natural Resources Coordinating Committee.

Motion:	Councilor McLain moved to adopt Resolution No. 05-3557.
Seconded:	Councilor Hosticka seconded the motion

Councilor McLain said this resolution was the second addendum to the IGA with Tualatin Basin Natural Resources Coordinating Committee. She acknowledged the work of the Committee on Nature in Neighborhoods. She said Tualatin Basin was going to try to make their decision by March 28th. Councilor Hosticka added that by adopting this resolution, it reinforced Metro's need to finish the work.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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9.3 **Resolution No. 05-3559**, For the Purpose of Authorizing the Chief Operating Officer to Enter into an Intergovernmental Agreement Between Metro and TriMet for the Implementation of the Regional Funding Plan and A Multi-Year Funding Commitment of Metropolitan Transportation Improvement Program Funds.

Motion:	Councilor Burkholder moved to adopt Resolution No. 05-3559.
Seconded:	Councilor Liberty seconded the motion

Councilor Burkholder summarized the resolution and why we must adopt an IGA. The action would allow TriMet to issue the bonds and keep on schedule. He urged adoption.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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9.4 **Resolution No. 05-3560**, For the Purpose of Appointing Wayne Kingsley, Charlie DiGregorio, and David Whitehead as Members of the Ballot Measure 37 Task Force.

Motion:	Councilor Liberty moved to adopt Resolution No. 05-3559.
Seconded:	Councilor Hosticka seconded the motion

Councilor Liberty said this resolution would add several business community members to the Task Force and provide a variety of perspectives. He urged support.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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9.5 **Resolution No. 05-3564**, For the Purpose of Reviewing the Decision of the Transit Oriented Development (TOD) Steering Committee for the North Flint Avenue Project.

Motion:	Councilor Liberty moved to adopt Resolution No. 05-3564.
Seconded:	Councilor Newman seconded the motion

Councilor Liberty said they had discussed this resolution in executive session last week. He spoke to Council's concern. He explained the North Flint project. He felt the area had potential. He noted that this was a very small project. They would be discussing criteria at the April 14th Council meeting. He suggested that they needed a discussion about how they spread projects over the landscape. Council President Bragdon explained why this was on the agenda. Councilor Burkholder said having the policy discussion was a good idea. He supported this project. It was good to review the criteria for these investments of public dollars. Councilor Newman echoed the Councilors comments. Councilor Park said he would be supporting this project but this did not mean he supported the criteria. He looked forward to that bigger discussion. Council President Bragdon explained his no vote.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty voted in support of the motion. The vote was 6 aye/1 nay, the motion passed with Council President Bragdon voting no.
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10. CONTRACT REVIEW BOARD

10.1 **Resolution No. 05-3543**, For the Purpose of Authorizing the Release of Request-for - Proposals No. 05-1142-SWR For Phase 2 of the Remedial Investigation and Feasibility Study of St. Johns Landfill.

Motion:	Councilor Burkholder moved to adopt Resolution No. 05-3543.
Seconded:	Councilor McLain seconded the motion

Councilor Burkholder said Metro owned the St. Johns Landfill. He provided the history of the landfill. Metro had the responsibility to the State and to our citizens to make sure we protected them. He explained the proposal to start the second phase. He talked about the financial impact. He urged support. Councilor McLain said Metro and Department of Environmental Quality (DEQ) had been working on this for the last 15 years. They were trying to be responsible stewards. Councilors talked about the environmental threats and the need to take care of the long-term health and safety of the citizens of the region.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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- 10.2 **Resolution No. 05-3534**, For the Purpose of Authorizing the Chief Operating Officer to Enter into a Contract with the Clackamas River Basin Council to Control Japanese Knotweed in the Clackamas River Basin.

Motion:	Councilor Hosticka moved to adopt Resolution No. 05-3534.
Seconded:	Councilor Park seconded the motion

Councilor Hosticka talked about the project to control Japanese Knotweed. Metro had received a grant, which they anticipated would be awarded to Clackamas River Basin Council so they could do the work. He supported the project and the resolution.

Vote:

Councilors Park, Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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11. OREGON LEGISLATIVE UPDATE

Mr. Cooper suggested Council report on yesterday's hearing on Senate Bill (SB) 720. Council President Bragdon reported on SB 720. Michael Jordan reported on SB 240. Councilor McLain reported on SB 900. Councilors talked about equity issues and revenue sharing. Mr. Cooper added that SB 431 moved out of committee which had to do with land use decisions and which issues went to Land Conservation and Development Commission (LCDC) and which issues went to LUBA. It eliminated the double filing of appeals. They felt this was vast improvement over the current law. Mr. Jordan talked about SB 963 and that they would be testifying on that bill next Tuesday.

12. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordon, COO, had nothing further to say.

13. COUNCILOR COMMUNICATION

Councilor Hosticka reported on the Metro Policy Advisory Committee (MPAC) meeting, which spent most of its time on Nature in Neighborhoods.

Councilor Park talked about Damascus and the process they were currently going through to become a city.

Council President Bragdon said Council would not be held next week but there was another Get Centered event in Gresham on March 31st. He and Mr. Jordan had also gone to a meeting to discuss home rule.

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14. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:20 p.m.

Prepared by

Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MARCH 24, 2005

Item	Topic	Doc Date	Document Description	Doc. No.
6.1	Minutes	3/17/05	Minutes of the Metro Council Meeting of March 17, 2005	032405c-01
9.4	Resolution	3/24/05	Resolution No. 05-3560 (name change from resolution in the packet)	032405c-02
9.5	Resolution	3//24/05	Resolution No. 05-3564, For the Purpose of Authorizing the Chief Operating Officer to Enter into Agreements to fund the North Flint Avenue/TOD Frequent Bus Project	032405c-03
9.1	Resolution	3/24/05	Resolution No. 05-3529A, For the Purpose of Allocating \$62.2 Million of Transportation Priorities Funding for the Years 2008 and 2009, Pending Air Quality Conformity Determination.	032405c-04
9.1	MTIP action	3/24/05	To: Metro Council From Ted Leybold, Planning Department Re: MTIP action taken by JPACT March 24 th	032405c-05
5.0	Quarterly Report	Oct-Dec 2004	To: Metro Council From: Bill Stringer, CFO Re: Second Quarter Fiscal Year 2004-05 Financial Report	032405c-06
4.0	5-Year Forecast	March 2005	To: Metro Council From: Bill Stringer, CFO Re: Department Five-Year Financial Forecasts	032405c-07
4.0	Power Point Presentation	3/24/05	To: Metro Council From: Bill Stringer, CFO Re: Power point presentation on financials	032405c-08