MINUTES OF THE METRO COUNCIL MEETING

Thursday, April 14, 2005 Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Robert Liberty, Rex

Burkholder, Carl Hosticka, Brian Newman

Councilors Absent: Councilor Park excused

Council President Bragdon convened the Regular Council Meeting at 2:01 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. OPPORTUNITIES FOR MITIGATING RISK IN METRO'S BUSINESS PROCESS IMPROVEMENT INITIATIVES

Alexis Dow, Metro Auditor presented a recent report on mitigating risk in Metro's business process improvement initiatives. She introduced Tom Thompson, new staff member.

Mr. Thompson thanked the councilors for the opportunity to address these issues. He focused on PeopleSoft, conducting a survey regarding business process change, keeping the goals and objectives of the councilors in mind. He outlines six basic opportunities for mitigating risk:

- 1) Establish an enterprise (Metro-wide) vision and strategy for financial business systems. This involves support from the top down getting people aligned with the business change and keeping them trained;
- 2) Proactively support the business process improvements throughout Metro. How to manage change is significant;
- 3) Develop a comprehensive project plan that defines the vision and the desired outcome and staff accordingly (strong project management is essential so that you can assess where the agency is at);
- 4) Reassess the current accounting structure to insure it is providing the management information necessary for the organization. Standardized process produce efficiencies.
- 5) Optimize and mandate the use of currently owned technology across Metro. Testing the integration of the systems will improve the efficiency of the system and avoid duplication of effort and resources.
- 6) Ensure that information access and delivery meets the needs of the organizational units and Metro management. If you are looking for efficiencies, the data should be easily accessed by staff.

Mr. Thompson summarized by saying it would be very difficult to do these systems because you are changing the way people work.

Councilor McLain asked when you are talking about retrieval of data, was any analysis done regarding the cost involved to implement this risk assessment solutions. Ms. Dow said that there are a number of shadow systems maintained to manage information germane to their departments as getting information about of PeopleSoft is difficult. This creates a level of cost that could be mitigated. Mr. Thompson noted that Metro has an information system that people cannot get information out of. Councilor Liberty asked whether there is a problem with PeopleSoft. Mr. Thompson said no; Ms. Dow said that as Enterprise Planning Resource (ERP) system, PeopleSoft was one of the premiere providers at the time it was selected. It is a very sophisticated system that necessitates adequate training to get maximum use from staff. Councilor Burkholder asked about its appropriateness for a government of Metro's size, stating how do we make the decision to shift to a new system. Is it appropriate (we keep putting money in it and keep trying to work around it) to conduct an analysis of diminishing returns in sticking with the software, or is there another system that would meet the agency's needs for effectively. Ms. Dow noted that the business process initiative will review the role of PeopleSoft. Councilor Burkholder asked Michael Jordan, COO, if the system can be reviewed. Mr. Jordan stated that with regard to PeopleSoft, within the context of his performance appraisal, the IT Steering Committee reviewed this issue. In the report, the conclusion was that the correct decision was made about PeopleSoft; training has not been sufficient; a management impetus to eliminate shadow system has not been adequate. However, the business practices that utilize the software should be the focus.

4. CONSENT AGENDA

- 4.1 Consideration of minutes of the April 7, 2005 Regular Council Meetings.
- 4.2 **Resolution No. 05-3566**, For the Purpose of Confirming the Appointment of Dave Garten to the Regional Solid Waste Advisory Committee (SWAC).

Motion: Councilor Liberty moved to adopt the meeting minutes of the April 7, 2005

Regular Metro Council.

Vote: Councilors Burkholder, McLain, Liberty, Newman, Hosticka and Council

President Bragdon voted in support of the motion. The vote was 6 aye, the

motion passed. [Park excused].

5. ORDINANCES – FIRST READING

5.1 **Ordinance No. 05-1077**, Amending the Regional Framework Plan and the Urban Growth Management Functional Plan Relating to Nature in Neighborhoods

For the sake of continuity, Council President Bragdon recommended that the presentation on Ordinance 05-1077 be followed by a discussion of Resolution No. 05-3574 (Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative Called Nature in Neighborhoods) and Resolution No. 05-3577 (Approving the Tualatin Basin Natural Resources Coordinating Committee's Fish and Wildlife Habitat Protection Program).

Councilor Hosticka spoke to the ordinance. He noted that we are now at the end game in terms of assessing the status of the ordinance in the Council. He noted that three pieces are being considered – a broad based approach to land use planning. A fourth piece to have a bond measure The last piece will focus on establishing performance measures to accomplish goals.

He noted that 3574 describes the program in its entirety and commits Metro to implement a coordinated regional program to ensure that the region's natural areas and greenspaces are restored and protected and to use Metro's resources to move into an acquisition program. Resolution 3577 discusses Metro's discussion to the Tualatin Basin's effort to develop a piece of Metro's program.

Councilor McLain spoke to the Tualatin Basin plan \$95 million dollars in the program for restoration project where regulations are absent to restore and protect. It also addresses equity issues; the project list is one that will do the job. One of the other items is that there are low impact, friendly building practices in the program. Councilor McLain was optimistic about the program, noting that consideration will be in May, with final consideration of the entire regional program in September.

Michael Jordan, Chief Financial Officer, thanked Chris Deffebach and planning staff for all of their diligence in the project. He said that Metro has had the opportunity to hone its view on the program; the approach being taken with Nature in Neighborhoods will be of huge benefit to the community.

Chris Deffebach, Planning Manager, addressed the ordinance (draft of ordinance and proposed changes to the Regional Framework Plan). It established new, consistent standards for protection of Class I and II riparian natural areas. Components include:

- 1) Required use of habitat friendly development practices where technically feasible. Metro has tools that are available to guide how to develop with less impact.
- 2) Development standards that are built off the existing Title 3 standards for the water quality area that avoid resource areas and to mitigate. An approach will be used that relies on clear and objective standards and a discretionary approach.

The second major part is how to plan or build differently for the future for new urban areas that are brought into the region. With these areas it is desirable that expectations need to be set sooner. To accomplish this: proposed changes to Chapters 3 and 4 of the Framework Plan that directly says to consider the value of the habitat for the land that is being brought into the Urban Growth Boundary (UGB). In addition, proposed changes have been suggested in Metro's Functional Plan, Title 10 and 11, which deal with concept planning. After the areas are brought into the UGB they proposed changes that guide capacity assumptions to better influence the protection of the habitat areas while planning for growth.

The third major part of the program deals with inventory. One tool is a recommendation that Metro encourage cities to use the habitat friendly practices in the watershed. They are to be used when feasible in the Class I and II areas and encouraged in the water shed overall. The second one is to allow cities and counties to reduce density in exchange for habitat protection.

Ms. Deffebach then addressed the issue of compliance based on flexibility (realizing that cities and counties are at different stages of implementing habitat protection programs). Several different ways have been laid out to emphasize flexibility and to respond to the fact that cities and counties are at different stages of their development. The first is to adopt Metro's habitat conservation area map and the model ordinance. The second is for cities and counties to show that their existing inventory and programs comply or they modify them. The third is to demonstrate that the city or county has a program that is based on alternative approaches that will protect and restore Class I riparian habitats comparable to Metro's approaches. The fourth is a provision to allow a city or county to come forward with a district plan approach. The last is to comply with the Tualitan Basin program is the Metro Council approves their approach.

She also addressed the proposal having to do with monitoring and reporting. There is uncertainty inherent in this work. There are questions about how effective can the regulations be, how effective can the non-regulatory programs be? Gains and losses need to be tracked, and report to the region. The program identifies Metro as taking the lead role. Specific activities have been defined. She also noted there is a set of objectives and targets in the plan. These objectives and targets are not tied to the compliance alternatives. They include aiming for a 10 percent increase in vegetation through restoration along the streamside area and retain 70 percent of the upland areas.

Mr. Jordan address how some of the key policy issues were resolved. Discussion has included Metro Policy Advisory Committee (MPAC) and Metro Technical Advisory Committee (MTAC) and other interested parties. More details could be found in the staff report. He addressed Measure 37; despite the fact that it may change they thought it imprudent to not recognize it as law. They took the definition of the term practicable and allowed it to encompass the issue of diminishment of fair market value when the analysis is done on a site by site basis. The issue of practicable allows plays into the issue of how this term works in conjunction with classes of value. They have recommended that an avoid standard be used in the discretionary part of the code. The "avoid" standard has with it "when practicable" which includes economic factors. They would use the standard of "avoid if practicable" when they are using the discretionary process for analysis. The definition of practicable becomes important in the application of the program on a site by site basis. He also addressed the issue of "similarly situated sites." Port of Portland terminals (three total) should be included in that allowed designation, which means that redevelopment would be allowed and they would be exempt from the avoid, minimize, mitigate standards. A local program could apply as well. Another area was exemptions, All existing residential properties have been exempted; repair and maintenance as well of utility type activities but these activities would still be subject to mitigation if habitat was disturbed. Also exempted are the FAA Wildlife Hazard Management areas within 10,000 feet of the Troutdale. Hillsboro, and Portland airport runways. When implementing those plans if habitat is disturbed they should be subject to mitigation in the implementation of those management plans. Multnomah County Drainage District managing of their floodplain areas (routine maintenance operations) has been exempted but should also be subject to some type of mitigation standard. He also spoke about mitigation, in general. Mitigation should be required for applications for redevelopment. He also noted that ten sites would be adjusted to high rating on the economic scale for health facilities. Criteria were put in for how to evaluate future regionally significant sites. Metro Council would make this decision.

Ms. Deffebach addressed the schedule of what is coming next. Planning staff will be available to assist councilors with information. She noted that design firms will be studying how development can occur as well as the impact of the measures. Two public areas are coming up (April 28 and May 12); resource room will be open the two weeks prior to the public hearings to help the public; available tools on the website; beginning next week they begin walking through their technical and policy review committees. May 11th they will be seeking a final recommendation from MPAC. Council work sessions are scheduled to discuss comment and amendments. Mr. Jordan also mentioned that most of the involvement work is being geared to the May 12 meeting where he hopes Metro Council will be able to put the ordinance in a package and comment on the Tualitan Basin. Final action will be delayed until later in the year, partially due to the uncertainty of Measure 37. Measure 56 notices will be sent out in the summer, with public comment to follow, with major decision in the Fall. Ms. Deffebach mentioned the sustainability event at Oregon Convention Center (OCC). Councilor McLain addressed friendly, low impact building design. She said other groups have been asked to be part of the event at OCC.

Councilor Liberty said that productive work sessions to discuss policy issues have taken place. Measure 37 did not want to it to be translated into weighing of economic impacts. This council meeting was the first time he heard about the connection to practicability. He stated that he sees a difference in practicability functioning as a cross reference than translating it into weighing into economic impacts.

Councilor McLain said that terms were going to be reviewed, i.e. strictly limit, lightly limit, etc. have been talked about at length. She said they should not put councilors off. They really are talking about some of the same work; a wordsmithing issue that we have a pretty good handle on.

Councilor Liberty noted that there seems to be a different sense of the definition. It reestablishes a standard that says if there is any reduction in value then it is not practicable. His recollection was that they decided not to do that to.

Councilor Newman had a clarifying question relating to what was the Title 3 practicability requirement. Mr. Jordan noted that a lengthy discussion on how the regulatory regime would actually be applied. The practicability notion was put with the avoid to allow for custom fit analysis to every site. Ms. Deffebach confirmed that jurisdictions have implemented an avoid, minimize, mitigate approach on their water quality resource areas as Title 3 has been put into place by local jurisdictions.

Councilor Hosticka addressed the issue of a compliance timeline. Ms. Deffebach said there is a timeline included.

Councilor Liberty addressed the model ordinance with regard to the differences between high, medium and low habitat conservation areas expressed in terms of disturbance area, exemptions, and mitigations standards.

Councilor Burkholder asked for notes with references as a study guide to digest the material.

Council President Bragdon assigned Ordinance No. 05-1077 to Council.

In the interest of consistency, Council President Bragdon directed Ms. Deffebach to address Resolution No. 05-3577, Approving the Tualatin Basin Natural Resources Coordinating Committee's Fish and Wildlife Habitat Protection Program. She noted that a few weeks ago, planning staff asked the Council to address the Intergovernmental Agreement (IGA) with Tualatin Basin. She discussed the main elements of the Tualatin Basin proposal:

- 1) Use of vegetative corridor standards (more protection than in Metro's Title 3 guidelines). They will continue with regulation, which limits development in vegetative corridors area.
- 2) Proposal to implement a healthy streams proposal (\$95 million of investments over the next 20 years). This proposal will go to the Clean Water Service Board for approval in the next few months. The intent is to maintain the Tualatin Basis Coordinating Committee to monitor projects, progress and expenditures.

Councilor Newman asked about the timing of the proposal – is it scheduled for adoption before the Council adopts 05-3577? Ms. Deffebach responded by saying the decision should be made by June. She continued by further describing the plan. (e.g. a variety of next steps). The staff report deals with issues like the gap of number of Class I and II riparian areas covered as compared by the number of areas covered by the Clean Water Services Vegetative Corridors. Proxies have to

be developed to see how their programs are applied on the ground. Also, the proposal puts forth protection of undeveloped floodplains. The healthy streams plan has yet to be approved and implemented. They have proposed next steps. In view of this, a set of conditions have been recommended for Council consideration:

- 1) To determine compliance, the plan be adopted by the Washington County Board and that the project be monitored.
- 2) In the coordination with Metro, they will be asked to continue to work with/support the Nature in Neighborhoods program.
- 3) That they be subject to the same standards applied across the region, and that as they participate in the same way of sharing key data.
- 4) Plan recognizes the direction of the overall regional program for incorporating future urban areas and how we protect natural habitat areas.

Councilor Burkholder asked about the legal steps the Tualatin Basin would need to take to be in compliance. Paul Garrahan, Metro Senior Attorney, addressed the steps. Councilor Burkholder asked if whether communities in the Tualatin Basin could choose to comply with the model ordinance? The answer was yes. Council President Bragdon asked about implementing the plan. Ms. Deffebach said no, that the plan is in draft and will be carried to the Washington County Clean Water Services Board for approval. After that approval, they can start on the capital improvement projects.

Councilor Liberty addressed the issue of water quality. Is there a fundamental difference between a program protecting water quality and what Metro is trying to do? Ms. Deffebach said that yes there is a difference but there is relationship and the program is intended to support water quality. He said there is a logical gap between what we are trying to do and a water quality oriented program. He asked whether the possibility of other communities doing something else was ever discussed. Ms. Deffebach said they are able to do more on their own if they want to. Councilor Liberty continued by asking whether the fiscal commitments supporting illustrative or definitive projects and do they know what the benefits are that go beyond water quality? Ms. Deffebach responded by saying they are specific projects that have been mapped and the list may change. The restore model has list of benefits.

Councilor McLain said that many of the answers about the plan are found in the materials provided to councilors at the meeting. She also clarified that what they are attempting to do is providing us with standards that Metro has provided them. Our plan and their plan will need to include performance measures. The goal is to give them as much certainty as we can. They are committing to spending 95 million on programs that will cover Class 1 and 2 areas (the gap being largely with Class 2).

Councilor Hosticka referred back to local governments and what they are supposed to do with the Tualatin Basin Plan. He wasn't sure what the commitment of the local governments to commit to something early is beneficial. Ms. Deffebach described areas of agreement among local governments to participate in recommending how Clean Water Services invests in the capital improvement project list and to continue to participate together as a basin. Councilor Hosticka said he didn't see anything in the proposal about what local governments need to do relative to Goal 5 in their land use planning. Ms. Deffebach responded by saying that Tualatin Basin program does not refer to local Goal 5 programs.

Councilor Newman asked whether any of the upland areas mapped are in the Class 3 Riparian areas. Ms. Deffebach said that Clean Water Service's authority was closer to the streams and not the upland areas. Councilor Newman said this should be pull this out as a policy issue for further

discussion (more time needed for deliberation). Councilor McLain added that if it worked well in the urban areas, it could be transported out into the upland areas.

Councilor Liberty asked when the Councilors would see examples of how applying the avoid, minimize, mitigate would play out. Ms. Deffebach said April 28th.

Council President Bragdon closed the public hearing, and noted that Ordinance 05-1077 and Resolutions 05-3574 and 05-3577 will all be continued to the April 28, 2005 Council meeting.

6. ORDINANCES - SECOND READING

6.1 Ordinance No. 05-1074, For the Purpose of Adopting the Annual Budget For Fiscal Year 2005-06, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency

Council President Bragdon opened a public hearing on Ordinance No. 05-1074.

Alexis Dow, Metro auditor addressed program budgeting – the new approach embraced by the Metro Council. As an incredible management tool for budgeting, she cautioned that it also can make the job harder as it maybe harder to see the forest for the trees. Too much detail can serve to confuse. She asked for the opportunity to present Auditor's proposed budget.

Councilor Liberty asked if there is a model budget presentation to share from another agency that would be helpful to provided management oversight in the budget process. She said no, she had not studied one in particular. Based upon her wide experience with public and private entities, she said there are a wide-range of options available. While improvements could be made on any budget structure the big picture should be maintained. Maintaining a hold on the big picture makes studying details of particular departments cumbersome. Maintaining some historical perspective of revenue trends and expenditure trends is important to keep intact.

Council President Bragdon closed the public hearing, and noted that Ordinance 05-1074 will be continued to the April 21, 2005 Council meeting.

7. RESOLUTIONS

7.1 **Resolution No. 05-3565**, For the Purpose of Confirming the Appointments of Erin Cook, Jamie Magdovitz, and Kate Warren to the Metro Committee on Citizen Involvement.

Motion:	Councilor Newman moved to adopt Resolution No. 05-3565.
Seconded:	Councilor Burkholder seconded the motion

Councilor Newman spoke to the resolution. He described some of the motivations of the appointments. Erin Cook is from West Linn and was a former intern at Metro. Jamie Magdovitz is a law student at Lewis and Clark College. Kate Warren resides in NW Portland. He encouraged approval. Council President Bragdon confirmed his support of the appointees.

Vote:	Councilors Hosticka, Burkholder, Newman, McLain, Liberty, and Council
	President Bragdon voted in support of the motion. The vote was 6 aye, the
	motion passed. [Park excused]

Resolution No. 05-3573, A Resolution of the Metro Council Authorizing General Obligation Refunding Bonds, 2005 Series.

Motion:	Councilor Newman moved to adopt Resolution No. 05-3573.
Seconded:	Councilor Burkholder seconded the motion

Councilor Newman stated that the resolution related to the Oregon Zoo's Great Northwest Project. He stated that analysis indicates that Metro could advance refund those bonds, to borrow to pay them off, and because of lower interest rates, Metro would save about \$1.3 million of present value savings over the remaining life of the bonds, about \$130,000 per year in debt service. It would authorize the COO and CFO to proceed with the sale of the bonds and accept bids on or about April 19th. Councilor Burkholder had a question about the savings (reduction of property taxes) Do the savings go back to the property taxpayers? Cooper said yes. Burkholder also asked whether there are any other bonds at higher interest rates that Metro could refinance. Brian Williams, Finance and Administrative Services Department, stated these are the last bonds that can be refinanced (a timing issue).

Vote: Councilors Hosticka, Burkholder, Newman, McLain, Liberty, and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed. [Park excused]

8. OREGON LEGISLATIVE UPDATE

Mr. Cooper summarized from Randy Tucker's, Metro lobbyist, legislative report. He addressed the following: Senate Bill 245, Metro's bill to extend the UGB cycle, has been the subject of considerable negotiation with members of the region's development community. Several amendments have been proposed to address disagreement with potential opponents. An appeal bill has been introduced to the Oregon House and an amendment will be added. He then addressed Senate Bill 894, the freight routes bill. Councilor Burkholder reported that SB 894 and SB865, a transit transportation study bill, were not on the Senate Transportation Committee chair's list of bills to move forward. Councilor Liberty asked whether there was any further information on the following which projects are going to be earmarked. Councilor Burkholder responded by saying that Mr. Tucker is monitoring that. Mr. Cooper spoke about HB 2199, the vertical housing bill, which went into the House Revenue Committee. The prospects of SB 887, an annexation bill, were discussed. Councilor Hosticka asked about the bills relating to the Tax Supervising and Conservation Commission (TSCC). Mr. Cooper provided details and possible impacts to local jurisdictions and Metro if the TSCC was abolished. Councilor Newman asked where TSCC gets its funding. Mr. Cooper answered from Multnomah County. Councilor Newman noted that the TSCC evolved out of a Progressive Era desire to eliminate big boss government. Mr. Cooper stated that over the years, the TSCC evolved from an era when the governor functioned as a checkpoint for local budgets to an advisory function.

9. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordon, Chief Operating Officer, apologized for omitting an important part of his earlier presentation. He introduced Sue Gemmell, Metro Webmaster and Paul Ketcham, Metro Planner, who previewed what citizens can access with regard to Metro's Nature in Neighborhoods Program via the web. Information includes the Nature in Neighborhood resolution (Resolution 05-3574), details about conservation efforts, education programs and volunteer opportunities. It includes a custom mapping tool that will help citizens understand the impact of the NIN Program on their property. Mr. Ketcham provided details about the content of the maps. There was a

discussion about the need for a glossary for citizens to facilitate use and understanding of the maps. He also noted that public involvement opportunities are included, along with descriptions about the program goals and history.

Councilor Liberty said it has been difficult for people to keep track of regulatory/non-regulatory explanations that would help people understand if this, then this. Mr. Ketcham said this would be possible. There will be a short text describing all the pieces of the Nature in Neighborhoods program (ordinances and resolutions).

9. COUNCILOR COMMUNICATION

Councilor Burkholder reported on his testimony today at Multnomah County on the proposed sale of Multnomah County parcel. The issue of concern is a proposed north/south route through the property and an assumption of right-of-way. He noted that a number of public and private groups provided testimony, as well. He said this type of decision should not be made without considering its impact on the Regional Transportation Plan. The Multnomah County Commissioners voted to sell the property.

Councilor Hosticka noted that there has been considerable community interest in the application for easement. He has asked Metro's Park staff to organize a trip for councilors to see the property. Councilor Liberty responded by saying that such a trip should be approached with caution; he thought it might require. Cooper said it did not represent a quasi-judicial decision; the trip would not constitute a quorum conflict.

Councilor McLain wanted to make sure that we have the opportunity to share budget amendments. She noted that she has a number of budget amendments to make, and would like to ensure that they will be shared for consideration.

Councilor Newman noted the first kick-off meeting for steering committee meeting for Portland to Lake Oswego Transit alternative study and Eastside Portland Transit alternative study. Tours are being organized. He invited councilors to attend.

Councilor Liberty noted he had a meeting with people involved with Affordable Housing to look at research related to public understanding and support for funding affordable housing and a possible bond measure.

11. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:40 p.m.

Prepared by

Beny Shoemalur

Becky Shoemaker

Acting Clerk of the Council

Kathryn Schutte

Council Support Specialist

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 14, 2005

Item	Topic	Doc Date	Document Description	Doc. Number
5.1	Ordin. 05-1077	4/12/2005	Amending the Regional Framework Plan and the Urban Growth Management Functional Plan Relating to Nature in Neighborhoods Includes the following Exhibits: Exhibit A: Regionally Significant Fish and Wildlife Habitat Inventory Map Exhibit B: Regional Framework Plan amendments Exhibit C: Title 13 of the UGMFP with Attachments 1 though 7 Exhibit D: Amendments to Titles 3, 8, 10 and 11 of UGMFP Exhibit E: Title 13 Model Ordinance Exhibit F: Findings of Fact and Conclusions of Law (to follow) including Attachments 1 through 6	041405c.01
7.4	Res. 05-3577	4/14/2005	Resolution 05-3577, Approving the Tualatin Basin Natural Resources Coordinating Committee's Fish and Wildlife Habitat Protection Program (Draft) Exhibit A: Tualatin Basin Natural Resources Coordinating Committee Goal 5 Program including: Item 1: Program Report Item 2: Tualatin Basin program maps Item 3: Clean Water Services Healthy Streams Plan Item 4: Clean Water Services Design and Construction Standards Staff Report to Resolution 05-3577	041405c.02
6.1	Ordin. 05-1074	4/14/2005	Testimony by Alexis Dow, Metro Auditor	041405c.03