

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, April 19, 2005
Metro Council Chamber

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

Councilors Absent: Brian Newman

Deputy President Burkholder convened the Metro Council Work Session Meeting at 2:04 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, APRIL 21, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

Deputy President Burkholder reviewed the April 21, 2005 Metro Council agenda. He also mentioned the Council Retreat taking place Wednesday, April 22nd.

Councilor McLain requested the Council send a formal letter to Lane Shetterly at the Land Conservation and Development Commission (LCDC) requesting a remand. Council agreed.

Michael Jordan, Chief Operating Officer, noted that Metro recently received a AAA bond rating from Standard & Poor's [see attachment]. Kathy Rutkowski discussed the market implications of the rating, including almost a full percent in savings.

Mr. Jordan also discussed the RFP process on Metro's daycare facility which resulted in a recommendation that the contract be renewed with Joyful Noise, the current provider, but with a lower subsidy [see handout]. Legislation would be brought to Council on April 28th. He asked that Councilors provide their input before that date.

Councilor Liberty asked about any raises in rates that would result. David Biederman, Office of Metro Attorney, discussed the raise and mentioned that the information was included in the handout.

Councilor McLain discussed the daycare's maintenance requests.

Councilor Liberty asked about policy issues that had been raised, including the fact that rates subsidize parents who are not Metro employees.

Council President Bragdon said it was an important benefit to offer employees. He wondered if there was another way to target the subsidy dollars toward Metro employees rather than the whole area and to resolve current inequities. He said that it seemed wrong that there were parents who could not afford the childcare as Metro employees. Was there a way to tier the rates so that Metro employees get the best deal?

Mr. Jordan said that if the underlying assumption was that there should be a daycare in the building, they could look further into equity issues and how to optimize the subsidy dollars within the bounds of what the market dictated.

Councilor McLain said that a former council had decided that the daycare should be representative of the area it is in, but that may be less of a priority now.

Councilor Park asked if Metro was unique as far as having a subsidized daycare that allows non-employees to participate. Mr. Jordan said that they had not looked at company-based situations.

Council President Bragdon asked at what point it made the most sense to just split up the cost of the subsidy and write a check to each parent so they could use whatever daycare worked best for them. Mr. Jordan reminded Council that the subsidy amount was not only cash but also an in-kind donation.

Councilor Hosticka said tuition would go up substantially if the underwritten costs were removed. Councilor McLain said she thought Council wanted to make sure there was a daycare at the central facility.

2. REGIONAL FRAMEWORK PLAN UPDATE

Sherry Oeser, Planning Department and Dick Benner, Metro Attorney's Office, spoke about the update to the Regional Framework Plan. She discussed the background language that was included in the original plan that is now out of date or misleading. Staff had gone through the document and pulled out some of the language into another document so the policies were easier to find. She discussed the Future Vision adopted in 1995 and other history of the plan's creation. [See handouts]

Dick Benner, Office of Metro Attorney, mentioned some issues that had come up due to the lack of clarity in the Regional Framework Plan. He said the public did not think of the Regional Framework Plan as a place holding Metro policies. Also, at times policies were different between the Regional Framework Plan and the Regional Transportation Plan and this had caused confusion. He said one of the least understandable parts was how the components related to each other and it was important to make clear the linkages between the components. He suggested they reformat the plan, without changing policy content, to eliminate any confusion. He said the clarification process would not be difficult to do.

Councilor Liberty said this was a great effort overall because the public could not get engaged if policies were not presented well. He said the reformatted plan should not be mired in the legal structure.

Councilor McLain said it was important that Mr. Benner had promised there would be no policy changes. She said there were three audiences for this document: first, items had to be ready to go to court and pass muster. Second were jurisdictions and builders and third was the public. She thought the revised document looked too long for the general public and too short to go to court, so she assumed the audience was the jurisdictions and the public.

Ms. Oeser said the new document was roughly half the size of the 1990s document and noted that it was geared to policy makers.

Councilor McLain cautioned that historically, when taking revisions to MPAC, the jurisdictions looked to see if any changes strengthened or weakened their or Metro's authority.

Ms. Oeser said they were very careful not to change anything substantive, even chapter headings. It was more of an editing/formatting exercise. She noted there was a policy in the framework plan to review it every seven years and since it was adopted in 1997, the review was due. Councilor Liberty said there were more users than local governments and a strong table of contents was important for the public to have easy access. Council President Bragdon asked if Councilor Liberty would volunteer to work on the ordinance to bring this forward.

Councilor Hosticka asked how much staff time was involved in this work. Ms. Oeser said the past work was over a long time and undertaken across several departments so she wasn't sure exactly the how long it took.

Councilor McLain cautioned that this was a sensitive matter as it was brought to MPAC and they should be reminded that the seven-year review was originally MPAC's idea.

Mr. Benner said the seven-year review involved rethinking some policies, which was a very different thing than just changing the format. Councilor McLain said that may be the next step but they needed a clean document to start with.

Councilor Liberty didn't want to assume that they were going to rethink the Regional Framework Plan. He said through amendments there had been a tremendous amount of change so it wasn't an entirely outdated document.

Mr. Cotugno asked about next steps and whether a review process should be started with MPAC before Council had a chance to read through the document. Councilor Liberty said he would rather wait a bit to have a unified front before presenting to MPAC. Ms. Oeser said the earliest MPAC could get started was mid-May.

Councilor Burkholder asked how this positioned Council for the Big Look. Ms. Oeser said the new document would help make that process easier.

3. REVIEW OF PROPOSED METRO COMMENTS THE LCDC GOAL 9 DRAFT RULE

Dick Benner, Metro Attorney's Office, said the fifth draft of Goal 9 had come out. He had looked at each successive draft and some comments had been made in the past. He said the current draft was the best so far, however Metro's role in economic development planning was missing. This was expected to be remedied after the state legislative session concluded. Their comments at this time were on relatively fine points based on how the region's cities and counties would fare based on the draft although the issue of 20-year land supply and the short-term land supply was significant.

Councilor Hosticka wondered about obligations on local governments regarding short-term land supply and if they applied to Metro. Mr. Benner said they did not. Council President Bragdon discussed this issue as a potential unfunded mandate on local governments. Mr. Benner said it could create a breach in the seamlessness of growth plans. They discussed future implications.

Councilor Burkholder asked if Council should send a letter saying the rule change was not achieving intended goals. Councilor Hosticka agreed, saying this came from a political response to a proposed need and a political response would be more appropriate and effective than a technical one. Councilor McLain suggested two letters, one technical from staff and one political to the commission. Mr. Cotugno said the last comments they made could be expanded to address

other items that Council addressed. Coordination between jurisdictions needed to be fine-tuned. He agreed that a political statement as well as a technical one was a good idea.

Council discussed their ideas on how to proceed. With the exception of Councilor Hosticka, all Councilors agreed to send a letter with suggestions on how to change the rule. Councilor Hosticka said the rule was going in the wrong direction and they should ask the process to stop rather than trying to change what was taking place. Council decided to inform MPAC of their action.

4. BREAK

5. FY 2005-06 BUDGET DISCUSSION

Jim Desmond, Parks Department Director, discussed four items in the Parks Department budget: it continued the existing facilities management and programs; a new line item to plan for the November 2006 greenspaces bond measure, some of which could be reimbursable if the bond passed; the For New Parks initiative that was set up in the Council's increase in the excise tax last year; and the Parks Department's part of the Nature in Neighborhoods program of work.

Councilor McLain asked for a summary with budget assumptions, priorities, future considerations, etc., similar to the summary provided with Zoo budget.

They discussed revenue streams for various projects, including grant funds. Councilor Liberty asked if Council was asked before departments applied for grants. Mr. Desmond said they generally did not, unless the grant would start a new program that required budget amendments to account for and get approval to spend the revenue.

Councilor McLain asked about FTE being moved around based on receiving a new grant. Mr. Desmond said they followed Council's direction when assigning staff and would not pull anyone away from a priority project. They discussed how FTE dedicated to Nature in Neighborhoods programs were split between the Planning and Parks Departments.

Kathy Rutkowski, Budget Specialist, began a discussion on the Central Services Department by summarizing the instructions that had been given on how to create a current service level budget. She said the Chief Operating Officer had capped this year's increase to no more than four percent even though the projected increase would have been close to 8 percent.

Councilor McLain asked if that limited resources or services. Ms. Rutkowski said they limited expenses. Because some departments came in at a little more than four percent and some came in at less they averaged out to four percent overall.

Reed Wagner, Office of Chief Financial Officer, discussed how departments then worked within the four percent increase to provide the same services, listing examples from several departments. He mentioned a \$50,000 increase in the Human Resources department due to a training initiative.

Councilor Burkholder wanted to make sure the training initiative was well funded and replaced what had been done previously on the department level. Ruth Scott, Human Resources Director, described their training plans and anticipated more training sessions in the coming year at less cost.

Councilor Hosticka asked if changing from separate funds to the general fund meant there would be fewer interdepartmental transfers. Ms. Rutkowski said that not all departments resided in the general fund so there would always be a need to have some separate funds to satisfy federal regulations. They discussed grant-funded positions and how they were accounted for. Councilor Hosticka asked that the transfers become more clear and transparent.

Councilor McLain asked if the new policy regarding internal service transfers was also achieving equity and fairness within the departments for shared services. Ms. Rutkowski described four different types of internal transfers. Councilor McLain asked for clarification on the goal. Mr. Jordan said clarity was not the main purpose but it was an incidental good. Mr. Jordan discussed efforts made to reduce costs from within central services.

6. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Hosticka spoke about amendments to the Nature in Neighborhoods Functional Plan. He suggested there be a date when everyone's amendments were due so that Council could look at all the suggestions at one time. Council decided on May 9th.

Councilor Liberty asked Dan Cooper, Metro Attorney, to discuss Ballot Measure 37 and its current status in the state legislative session. Mr. Cooper said it would be easiest to give Council the current status of what was taking place so Councilors could give him feedback and direction about how to proceed. Councilor Liberty hoped Council could provide guidance about how they thought the legislative fix to Measure 37 should look.

Mr. Cooper discussed where things stood in the legislature and the three or four outstanding issues with the bill, noting that everything could change before anything was passed.

Councilor Hosticka asked how the proposal related to Goal 5. Councilor Liberty discussed political changes made in 1995 that led up to the current political climate related about the issue. Mr. Cooper described how Goal 5 was discussed in the bill draft language.

Mr. Cooper then discussed how the proposals applied to buffer areas just outside UGBs. There would be no claims unless the area was brought into the UGB before 2014. Rural resource zones (farm and rangeland) would fall into three categories: high quality farmland, not as high quality farmland, and currently designated resource land that would no longer be designated as such. He discussed how these categories would be treated under the new law. The second category was the most contentious in the current negotiations, as a state compensation piece would come into play there. He discussed the impact on forestland as well.

Councilor Liberty talked about the current system and how many new houses were being built on that land now.

Mr. Cooper said he expected that the drafting of the bill would be finished in the next few weeks. He talked about some potential pieces of the legislation. He thought it was troublesome that Senator Ringo had talked about adding other legislative ideas into this bill in order to gain supporters.

Councilor Liberty spoke to the principles that he thought should drive Metro's actions in helping to craft the legislative fix: 1) it should be focused on compensation 2) the logical increase for the money was the increase in value of the property 3) priority would be for homeowners not for land

speculators 4) a transparent process 5) that it didn't tinker with land use laws that were not on the ballot.

Councilor Burkholder asked what their chances were if Council did present some principles. It sounded like a deal was being made and he wondered if Metro would be able to have any sway. Mr. Cooper said he thought the people involved were making a deal but he had no way of knowing for sure if any principled statement from Metro would make a difference. If the bill went down in flames it might be useful to have a statement to stand by.

Councilor Liberty said that Council should be worried about silent assent. The legislation in its current form was a bait and switch, cutting a deal with one small interest group rather than honoring the will of the electorate. Making a deal was one thing – compromise was politics – but he wanted it to be a principled compromise.

Councilor Burkholder asked at what point should Council take a stand and communicate that to their friends in the building who were working on the deal. Mr. Cooper said it was ultimately Senator Ringo's call even if others were trying to deal.

Councilor Park spoke about some meetings he had participated in as a representative of agriculture, not as a Metro Councilor. He said the agriculture industry was not all of one mind, neither was the forest products industry. He said more and more questions were being raised regarding subdivisions. He questioned whether anything would move out of the legislature, especially without a compensation package. He thought Metro's ability to guide the process based on its principles was very limited.

Council President Bragdon said the principles forwarded by Councilor Liberty were not as relevant to Metro's work but applied more on a statewide basis. Many of the fundamental tools of Metro's trade were in doubt with the legislation. He thought their objectives were to build great urban places and preserving that ability should be Council's primary concern. Items that would be detrimental to eastern Oregon would be unfortunate but were not Metro's responsibility. Claims on the edge of Metro's boundary seemed to be taken care of within what Mr. Cooper had described.

Councilor Hosticka agreed that Mr. Cooper should be representing Metro's interests. At some point in negotiating sometimes you have to withdraw if it looks like you will get a bad deal.

Mr. Cooper said that they would know in a week or two what actually gets printed as a bill. At that point he would ask for further guidance. Council President Bragdon noted that there had been disparate views presented and wondered if Mr. Cooper had clear marching orders.

Councilor Park said that the level of capacity in ex-urban areas depended on the deal that was cut. They could decide to pull the plug if necessary. Councilor Hosticka cautioned that once it's over, Metro could be pushed to advocate for the whole package whether or not Council was happy with the result just because Metro participated.

Mr. Cooper did not think Senator Ringo saw Metro's presence in the room as meaning anything. Once the bill was completed Council could take a position on the bill without expectation that Metro would be behind the final result.

Councilor McLain had hoped there was some way to have consistency of treatment for all people. Not the same reimbursement but a consistent process. She didn't feel that anything Mr. Cooper

said was against the will of the voters. At present she could not take a position for or against the proposed legislation.

Councilor Park asked about the financial side and how hard the financial industry would push toward getting something done. Mr. Cooper said realtors were trying to work toward something but the bankers were wary and were not going to finance based on the legislation. Appraisers did not have a position but were concerned.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:18 p.m.

Prepared by,



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Council Support Specialist

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 19, 2005

Item	Topic	Doc Date	Document Description	Doc. Number
1	Metro Bond Rating	4/18/05	Memo regarding Metro's AAA Bond Rating by Standard & Poor's	041905cw-01
1	MetroKids	4/21/05	Staff report regarding MetroKids Center	041905cw-02
2	RFP timeline	4/19/05	Regional Framework Plan timeline	041905cw-03
2	Metro Timeline	4/19/05	Milestones in Metro's history	041905cw-04
2	RFP	4/19/05	Draft update to Regional Framework Plan	041905cw-05
5	Budget	4/19/05	Instructions to Central Service Depts.	041905cw-06