

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, May 24, 2005
Metro Council Chamber

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

Councilors Absent: Carl Hosticka (excused), Susan McLain (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:01 p.m.

1. **DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MAY 26, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Council President Bragdon reviewed May 26, 2005 Metro Council Agenda. He spoke about the Columbia Environmental ordinance. Councilor Park thought they were asking for a delay. Councilor Liberty suggested having someone be at Councilor McLain's brother's funeral on Thursday afternoon. Councilor Liberty asked about a contested case hearing for the Columbia Environmental. Marv Fjordbeck, Senior Attorney explained the process. Councilors thought that Columbia Environmental was going to ask for a 30-day delay.

2. **PERSONNEL CODE**

Kevin Dull, Human Resource Department and Katie Poole, Senior Attorney, said they were moving personnel code from the Metro Code into an executive order. Council President Bragdon explained that when the transition occurred there were a lot of changes that needed to be made to the Code. Mr. Dull explained that the language would be moved into an Executive Order under the Chief Operating Officer. Mr. Jordan would bring quarterly updates to the Council on changes to personnel policy. Michael Jordan, Chief Operating Officer (COO), said to change a personnel policy at Metro they have to get a law passed. He indicated that there would be some part of the Personnel Code that would remain in the Metro Code. Policy direction should stay in the Code. Councilor Liberty asked about the adoption of an executive order. Ms. Poole said it was Metro administrative policy. It needed to be consistent with the Code but it can go beyond the Code. Councilor Liberty asked about the Charter. Ms. Poole said many administrative functions are handled by Executive Order. Council President Bragdon indicated that this change was appropriate. Ms. Poole said the Charter and the Code delegated responsibilities to the COO. The Executive Orders are the COO's regulations for the agency. Mr. Jordan explained that in the next 90 days Ruth Scott, Human Resources Director, would be bringing forward several personnel changes.

3. **HAZARDOUS WASTE TRANSPORT DISPOSAL CONTRACT**

David Biedermann, Contract Manager and Jim Quinn, Solid Waste and Recycling Department, talked about the hazardous waste transport disposal contract. Mr. Biedermann said two councilors had asked that this issue be brought to the Council both on the issue of transport and money. Councilor Park talked about the length of the contract and how it would be transferred. Mr. Biedermann said this was a two-year contract. The next time the contract was bid, they would need to make sure what would happen if the transfer stations were sold. In the next contract they would need to have provisions about the transfer station.

4. BREAK

5. DISPOSAL SYSTEM PLANNING EVALUATION CRITERIA AND 6-MONTH WORK PLAN

Mike Hoglund, Solid Waste and Recycling Director, talked about Metro's role in the transfer station business. He noted the work plan for disposal system planning which would be addressed today. The second task was an outreach effort to have a broad discussion with stakeholders. He spoke to one of the issues they would need to raise such as rates issues. Council President Bragdon suggested that Metro Policy Advisory Committee (MPAC) might not be the appropriate group to go to concerning the disposal system. Councilor Park raised the issue that MPAC may want to discuss rate-setting issues.

Mr. Hoglund talked about consultant selection to look at different models of transfer stations. He provided timeline for this effort. He noted the discussion about transfer station value and what they were worth. He talked about the different levels of value such as property and revenue flow components. Councilor Liberty suggested asking the current transfer station operator this question. Mr. Hoglund said another component was what we offered at those transfer stations versus what was offered at a private facility. Councilor Park said they didn't know what these stations were worth because you had to know about tonnage flow and the model had not yet been built. Councilor Burkholder asked about a market based auction versus a licensing process, the right to collect tonnage. Mr. Hoglund said they also wanted to know what the impact was on a transfer station with or without a waste disposal guarantee.

Mr. Hoglund said they would probably come back to Council about the different models, how they were built, options and criteria. He noted other issues that would influence values. Councilor Liberty asked about the IRS constraints. Mr. Fjordbeck responded to his question. Mr. Hoglund spoke to the limitation on uses of proceeds of the sale of assets. Councilors talked about the expenditure caps. They talked about restrictions on what you did with solid waste funds. Mr. Fjordbeck explained some options for how the funds could be spent.

Mr. Hoglund reviewed other legal issues (a copy of these are included in the meeting packet). He addressed additional system issues such as services provided, household hazardous waste, recovery rates, impacts on policy and program formation, and rate controls. Councilor Newman suggested an analysis if someone purchased the transfer station to shut it down. Councilor Liberty asked if the timeline was realistic. Mr. Hoglund explained who would be doing the work. He then explained Task 4, Alternatives Analysis, which they planned to complete by November 30, 2005. He said the consultant would provide what they thought would be the best model. Councilor Burkholder asked about the consultants and who was out there that could look at something like this. Mr. Hoglund said there were firms that looked at business values. Paul Ehinger, Solid Waste and Recycling Department, responded that there were a number of national firms that had this knowledge base to look at solid waste and business systems. Mr. Hoglund reviewed who would participate on staff in this effort. Council President Bragdon asked Council if they were comfortable with the work plan? Councilor Liberty asked if they had talked with Councilors McLain and Hosticka. Mr. Hoglund said he would plan to talk with both of them. Councilor Park talked about the public transfer stations and the constraints. He explained some of the assumptions that had to be made. He felt this whole process would help to inform. Mr. Hoglund said they would keep the Council updated on this issue throughout the process.

6. BACKGROUND/BRIEFING AND HISTORY OF RECOVERY RATE STABILIZATION RESERVE

Councilor Park introduced the topic. Karen Feher, Financial Planning, explained the history of the reserve. She explained the history of excise tax and how the tax was adjusted annually. The intent was to stabilize the funding source in order to run Metro. She noted what would happen if there was a shortage. Councilor Newman asked about how they took action. What triggered why you would have to take that action? Ms. Feher responded to his question. Councilor Newman asked about the types of actions that would have to be taken. Ms. Feher responded to his question. She explained the other times they had taken money out of this fund.

Councilor Newman clarified that these funds were excise tax. Ms. Feher said a limit was established and we would be going over that limit. She provided materials, which included solid waste per-ton excise tax briefing and history of the excise tax collections. Tom Chaimov, Solid Waste and Recycling Department, provided information on how the rate was calculated. He noted how the rate overtime self corrected. Councilors talked about revenue adjustments and the need to stabilize the rate and level the payment on tonnage across the region. Councilors discussed the reserve and the issue of public accountability. Councilor Park noted that this tax funded 80% of what Metro did. Councilor Newman wanted to understand what Council President Bragdon had put in his budget and why. He had suggested putting \$500,000 in a renewal and replacement general fund. Councilor Newman asked if the two were in conflict. Councilor Park said it was not in conflict. The resolution would move \$1 million into Nature in Neighborhood in this fiscal year. The debate before the Council was if they wanted to appropriate the money for the program. Kathy Rutkowski, Budget Manager, explained what legislative action had to be taken this year and next year. Councilor Burkholder asked about the process to allow the most flexibility. Ms. Rutkowski explained what Council had to do this year and next year.

Councilor Burkholder said it sounded as if that the Council was interested in allowing the most amount of flexibility to use this money. Council wanted to move forward with the action to put the money into a useable form. They could take more time to discuss where they wanted to spend the money. Councilor Newman asked what was the prudent amount to leave in the fund? Ms. Rutkowski spoke to risks. Ms. Feher talked about the likelihood of increased reserves overtime. Ms. Rutkowski reminded Council that they had \$500,000 appropriated for renewal and replacement. She explained what Council had to do with the \$500,000.

Councilor Park explained his resolution (a copy of the draft resolution and staff report was included in the record), which would help fund the Nature in Neighborhoods project. He noted the issues with illegal dumping. The solid waste industry had an interest in this as well. He gave some examples of how partnerships could work. He felt this was a good use of the funds. This gave an opportunity to partner with the solid waste industry in a way they had done before. He reminded Council that this was one-time money. Councilor Newman commented that they were trying to get up to speed on the money. These were excise tax dollars, not solid waste funds. He didn't think there needed to be a solid waste connection for the use of the funds. Councilor Park said because of the way the fund was created, he felt there was a solid waste connection that they needed to be sensitive to. Councilor Newman added that he didn't want to limit this conversation to solid waste. He asked if we could fund illegal dumping activities with regional system fees, why use excise tax? Councilor Park responded to his comments and talked about what happened when you drift away from the actual restoration from illegal dumpsites. Deputy Council President Burkholder talked about next steps in June. Councilor Liberty suggested moving \$1.5 million into an unappropriated contingency but allow flexibility for how the money was spent. Councilor

Newman said he wanted a larger discussion about Nature in Neighborhoods and what components should be included. Councilor Park reminded that Council about the Goal and Objectives of the Council. He noted that this was supported by the industry.

7. COUNCIL BRIEFINGS/COMMUNICATIONS

Council President Bragdon suggested a discussion about what happened at Portland State University last Friday afternoon. He asked Councilors reactions. Councilor Newman commented that he thought it was a beginning of a dialogue with hopefully a productive outcome. He thought the first half of the session was beneficial. He thought the comments were fair. The second half got negative. He felt bad for the Council President but was trying to respect the ground rules. He thought there should be more councilors involved. He wanted the Council President to have more allies. He noted the differences between the mayors in the region. He also suggested using a specific example that the mayors could work through. Councilor Liberty felt the Council President did a good job. He worried about creating another institution for discussion than Metro Policy Advisory Committee (MPAC). He noted that some of Metro's allies didn't speak up. There were a number of mayors who were regionalists. He also suggested looking at what they had in common. He wanted to have more of a connection with their electorate. He said Metro made more sense as a government than any one of the cities.

Councilor Burkholder said he thought there was a service there in getting people together. He suggested an annual or semi-annual opportunity to get this group together. He commented that he felt it was positive in the recognition that Metro helped prevent sprawl. He thought that there were only a few that badmouthed the Council and most were quiet. Dan Cooper, Metro Attorney, said he had shared a history of Metro from the seventies forward. He talked about the history of Hillsboro and their perspective of Metro. Mr. Jordan said he thought it was a good first step and that Council should do this on a periodic basis. He suggested that there were a lot of things they needed to think through before the next meeting. It could have implications about how they wanted to build regional decisions in the future. He suggested being deliberate about the agenda. Mr. Cooper talked about the Big Look and involvement of all of the city/county stakeholders. Mr. Jordan added that the only negative conversations were around the growth management issue. He spoke to the positives such as transportation planning. Councilor Park said 2002 worked in a way that forced MPAC to make decisions so that they were engaged all of the way through. He contrasted that decision to 2004. Councilors discussed the differences between the decision in 2002 and 2004.

Council President Bragdon reminded that this was about regional decision making not about the Charter. He talked about local control and the gray areas. Mr. Cooper said he heard a lot of frustrations with the cities' fiscal issues. Council President Bragdon suggested talking about where was it that they could go that they had not gone yet. Councilor Liberty felt that it would be useful to talk about the fiscal issues. Councilor Park talked about how you adapted flexibility dependent upon the city's own codes.

Councilor Newman briefed the Council about Rock Creek. He had a meeting with Commissioner Martha Shrader's who was frustrated about getting Damascus and Happy Valley on the same page. They had a meeting yesterday and came to a conclusion that Metro was not doing anything until all parties were on the same page having to do with a Regionally Significant Industrial Area (RSIA) designation. Councilor Park suggested looking at a broader strategy for RSIA's. He suggested there were a lot of turf issues in that area. Council President Bragdon said the parties had to request something from Metro in order for Metro to respond.

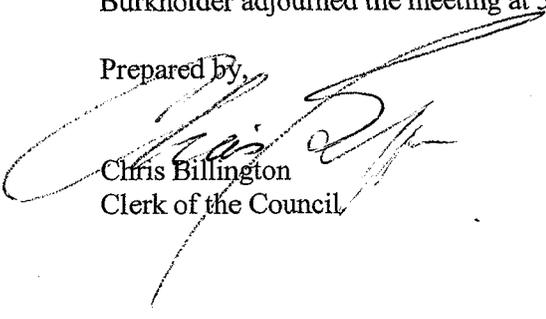
Metro Council Work Session Meeting

05/24/05

Page 5

There being no further business to come before the Metro Council, Deputy Council President Burkholder adjourned the meeting at 5:04 p.m.

Prepared by,

A large, stylized handwritten signature in black ink, appearing to read "Chris Billington". The signature is written over the printed name and title.

Chris Billington
Clerk of the Council

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

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	5/26/05	Metro Council Agenda for May 26,2005	052405c-01
6	Budget amendment and proposed resolution	5/23/05	To: Metro Council From: Karen Feher, Financial Planning and Councilor Rod Park Re: Resolution No. 05-3580	052405c-02
6	Solid waste excise tax information	5/24/05	To: Metro Council From: Karen Feher, Financial Planning Re: Solid Waste Per Ton Excise Tax Briefing	052405c-03