

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL WORK SESSION MEETING
DATE: July 5, 2005
DAY: Tuesday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | | |
|----------------|-----------|--|-----------------|
| 2:00 PM | 1. | DISCUSSION OF AGENDA FOR COUNCIL
REGULAR MEETING, JULY 7, 2005/
ADMINISTRATIVE/CHIEF OPERATING OFFICER
AND CITIZEN COMMUNICATIONS | |
| 2:10 PM | 2. | PUBLIC EMPLOYEE RETIREMENT SYSTEM
UNFUNDED LIABILITY | Stringer |
| 2:50 PM | 3. | URBAN GROWTH MANGEMENT FUNCTIONAL PLAN
COMPLIANCE UPDATE | Oeser |
| 3:35 PM | 4. | BREAK | |
| 3:40 PM | 5. | REGIONAL SOLID WASTE MANAGEMENT PLAN
ROLL-OUT | Matthews |
| 4:40 PM | 6. | CORRIDOR PLANNING | Wieghart |
| 5:00 PM | 7. | COUNCIL BRIEFINGS/COMMUNICATION | |

ADJOURN

Agenda Item Number 2.0

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) UNFUNDED LIABILITY

Metro Council Work Session

Tuesday, July 5, 2005

Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: 7/5/2005 Time: 2:15 pm Length: 40 Minutes

Presentation Title: Bonding for Metro's PERS Unfunded Actuarial Liability

Department: Finance

Presenters: Bill Stringer, Kathy Rutkowski, Carol Samuels (Seattle Northwest Securities)

ISSUE & BACKGROUND

Under a pension plan, the actuarial liability is the present value of the plan's current and expected benefits payments (plus administrative expenses). If a fund's actuarial liability exceeds its current assets, then the fund has a shortfall that is known as an unfunded actuarial liability ("UAL"). This shortfall is the difference between what the fund has "in the bank" right now and what is expected to be needed to pay current and future benefits. In other words, the UAL is the shortfall the fund would face if its assets were liquidated and the present values of the benefits were paid today.

PERS costs to Metro are rising rapidly. Last year Metro paid 7.14% of salaries and wages to PERS and that rate increased 4.67 percentage points on July 1 to 11.81 percent of salaries and wages. In two years, unless unforeseen earnings or losses intervene, it will increase another 4.67 percentage points to 16.48 percent of salaries and wages. These increases are caused by poor earning accruing to the PERS investment portfolio and policy choices that had adverse impacts on payout and earnings and do not relate to adverse court rulings regarding the 2003 Legislative Reforms.

When Metro joined Oregon PERS it entered with a \$7.1 million actuarial surplus. However, significant losses were incurred in Metro's portion of the PERS portfolio in 2000, 2001, 2002 and 2003. The losses are shown in the following table:

METRO OUTSTANDING UAL BALANCE	
Remaining 1999 UAL	\$ (7,036,321)
Remaining 2000 Loss	3,171,354
Remaining 2001 Loss	26,452,706
Remaining 2002 Loss	39,182,032
Remaining 2003 Loss	7,947,053
2003 PERS Reform Legislation	(51,640,261)
UAL as of 12/31/2003	\$ 18,076,563

Additional losses have occurred since and are expected to occur over the next several months such that the unfunded actuarial liability by the end of October of 2005 is expected to be \$23,935,891. Note, however, that the PERS actuary in

the calculation above has assumed savings equal to \$51,640,563 attributable to the package of reforms passed by the legislature in 2003. We know that the State court has not upheld some of those reforms and another court is deciding a case in Eugene. It is not known at this time what the impact might be on the UAL by these decisions—loosing all or part of the \$51.6 million savings.

OPERS currently requires Metro to pay any unfunded liability over a period of approximately 25 years. OPERS charges Metro eight percent per annum because OPERS expects, over the long term, to earn eight percent on its investments.

OPTIONS AVAILABLE

Refinancing that liability at a lower rate of interest should reduce costs for Metro. Under current bond market conditions, Metro could finance its portion of the liability at approximately 6% (a taxable rate – under federal law, these must be sold on a taxable basis) through the bond market, potentially minimizing some of the future cost increases.

However, in order to achieve savings, the funds deposited with PERS must earn more than the cost of the borrowing over its life. If the funds earn more than the cost of the borrowing, a jurisdiction that chooses to refinance will have lower PERS costs than a jurisdiction that does not make that choice. More specifically, assuming the actuary's expected return assumption of 8% proves accurate, the savings to a jurisdiction at a 6% borrowing rate equal approximately 20% on a present value basis of the amount borrowed. This savings rate compares favorably to the State's test for advance refunding, in which the minimum savings that must be achieved are 3% on a present value basis. Since 1970, PERS investments have averaged roughly 12% returns; however history is no indicator of future market performance.

Over the last two fiscal years, Metro departments have placed 6.5% of personnel services aside to help pay for any additional losses sustained as a result of adverse court rulings regarding the 2003 Legislative Reforms. These funds, which will amount to about \$5 million are currently invested in Metro's portfolio and are earning about 2.9% as of July 1, 2005. It is possible that these funds could be used to fund the unfunded liability outright, leaving about \$18 million to finance. The question as to whether this is the best use of these funds will require additional analysis which will be—but has not been—performed at this time.

IMPLICATIONS AND SUGGESTIONS

Whether or not to bond for a reduction of Metro's PERS Unfunded Actuarial Liability and how much, if any, of Metro's PERS Reserve to use to reduce the UAL has elements of risk. Ultimately, any savings accruing to Metro depends at a minimum upon:

- The reduction in rate that the PERS actuary would attribute to Metro if the UAL is reduced.
- Interest rates on long term taxable bonds at the time of refinancing.
- The yield attributable to Reserves held in Metro's portfolio,
- The movement of yields on funds held by PERS over the next 23 years.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Should Metro explore the extent of potential savings attributable to issuing bonds within a bond pool organized by Seattle Northwest Securities?
2. What amount, if any, of the PERS reserve should be used to reduce the amount of bonds sold?
3. Should a Resolution be drafted for consideration by the Council authorizing the sale? Note that such a funding is allowable under Oregon Law without a public vote but also note that a supplemental budget amendment would be required under Oregon Law to permit such a sale.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No**

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____
Chief Operating Officer Approval _____

Agenda Item Number 3.0

URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN COMPLIANCE UPDATE

Metro Council Work Session
Tuesday, July 5, 2005
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: July 5, 2005 Time: Length: 45 minutes

Presentation Title: Urban Growth Management Functional Plan Compliance Issues and 2004 Compliance Report

Department: Planning

Presenters: Sherry Oeser and Dick Benner

ISSUE & BACKGROUND

The Council reviewed the Urban Growth Management Functional Plan 2004 Compliance Report earlier this year. As part of that review, a number of compliance issues arose. Listed below are the issues needing Council guidance.

Issue #1: 2004 Compliance Report Hearing

Metro Code requires that Council hold a public hearing on the annual compliance report. All cities and counties in the Metro district, the Department of Land Conservation and Development and interested parties are notified of the hearing. The Code also requires that following the public hearing, the Council enters an order that determines with which functional plan requirements each city and county complies.

The annual compliance report is an accounting of compliance by local governments. The council and other policymakers can use the report to identify problem areas or policy issues that need further discussion.

Options:

- 1) Schedule the public hearing, direct staff to send notice to local governments and others.
- 2) The 2004 Compliance Report recommends that the City of Gresham (Title 6 Centers report) and the City of Wilsonville (Title 1 Capacity Analysis) formally be requested to attend the public hearing to discuss with the council their compliance issues. If the Council agrees with the report recommendation, the Council President or Chief Operating Officer should contact the respective mayors to make the request.

Issue #2: General Compliance Issues

The 2004 Compliance Report and the discussions held on it have also raised general compliance issues in need of a broader discussion by MPAC and the Council.

- What is Metro/the region trying to accomplish with compliance?
- What is Metro/the region actually accomplishing?
- Should compliance requirements change? If so, how?
- Currently the only consequence of not complying is not being eligible for MTIP funding. Should there be other consequences including incentives?

One issue that arose was Title 7 Affordable Housing. Only three local governments in the region complied fully with Title 7 requirements. Both the Council and MPAC discussed the issue and jointly sent a letter to local governments requesting responses to specific questions. The Council also established the Housing Choice Task Force. The Task Force will review the region's progress in meeting affordable housing goals and the requirements of Title 7 and will also consider changes to Title 7.

Options:

- 1) Discuss at Council above questions and issues
- 2) Request MPAC discussion, input and recommendations on these issues
- 3) Hold a regional forum to discuss and make recommendations on these issues

Issues #3: Title 11 New Urban Area Planning

While no local government was out of compliance on Title 11 during the 2004 compliance period, the 2004 Annual Compliance Report did show that 13 areas would not meet the March 2005 concept planning deadline (see attached list for summary). These areas represent more than 25 percent of the total dwelling unit needs that were estimated in the 2002 Residential Urban Growth Report. At the request of two local governments, the council recently granted two extensions for the cities of Forest Grove and Sherwood but the dwelling units from these areas are small.

The delay in completing Title 11 planning affects constructing needed housing for the region as well as the 20-year buildable land capacity. What the 2004 compliance report points out is that many jurisdictions appear to be having problems or issues with fulfilling the planning requirement. If the council takes no further action and if no other local government requests an extension, these areas will be out of compliance for the 2005 compliance period. The council may wish to discuss in greater detail what problems local governments are having with Title 11 planning requirements. Other possible actions available to the council are listed below.

Possible actions:

- 1) Extend the time for completing the planning: As a condition to bringing land into the Urban Growth Boundary (UGB), the Council places a deadline to meeting Title 11 planning requirements. A local government can seek an extension of this date under Metro Code 3.07.850. The Council can grant no more than two such extensions, each for no more than one year. To grant the extension, the Council must find that the local government is making satisfactory progress and that there is good cause for failure to meet the deadline.
- 2) Amend the UGB Ordinance to allow more time for completion by the local government(s): The Council can amend the original ordinance that added an area to the UGB to change the date to a later time. This option may be preferable if a

local government seeks more than two years beyond the original date for completion.

- 3) Participation by landowners: A local government can rely on landowners in an area to prepare Title 11 planning for consideration by the local government. This option may be attractive to landowners in areas with relatively few owners where Metro-assigned design types are relatively simple (for example, all Industrial or all Outer Neighborhood).
- 4) Joint Local-Metro completion: Metro could assist a local government in completing its Title 11 planning. In some cases, Metro has provided both financial and technical assistance to local governments for Title 11 planning such as Pleasant Valley and Damascus. Such an effort would, however, require reallocating resources.
- 5) Completion by Metro following Enforcement Action: If a local government fails to complete Title 11 planning by the date specified and fails to seek or obtain an extension, Metro can enforce Title 11 planning requirements pursuant to Title 8, (Metro Code 3.07.870) and complete the planning for the local government (Metro Code 3.07.870D). The local government could adopt the Metro-completed plan as its own or use it as a model for a local plan.

There may be additional actions that the Council wishes to explore.

Options:

- 1) Council adopts one of the above actions
- 2) Request MPAC discuss Title 11 planning and the actions listed above and make recommendations to the Council on the preferred action
- 3) Organize a special meeting of local governments with potential Title 11 planning responsibilities (Gresham, Oregon City, Wilsonville, West Linn, Sherwood, Tualatin, Tigard, Portland, Hillsboro, Forest Grove, Beaverton, Clackamas County, Multnomah County and Washington County) and the Council to discuss what obstacles the local governments are having, what recommendations they would make and what assistance Metro can provide to ensure planning is completed in a timely fashion

Issues #4: Exceptions request from Clackamas County on Title 3

Last fall, Clackamas County applied for an exception for Title 3 requirements for the Oak Lodge Sanitary District. Metro has not yet acted on that request. Consideration was postponed to gauge the effects of Measure 37. The 2005 legislative session may yet pass legislation that could affect the situation. The Nature in Neighborhood program could have an affect on resolving this issue.

Options:

- 1) Schedule the hearing after the conclusion of the 2005 legislative session

IMPLICATIONS AND SUGGESTIONS

Issues #1: 2004 Compliance Report Hearing

Local governments especially those that are in compliance often use and depend on Metro's annual compliance report to assist them in resolving complaints or lawsuits. A public hearing and subsequent order are important steps in the compliance process.

Issues #2: General Compliance Issues

A broader discussion of what compliance means and why Metro and the region have compliance would be a useful discussion. If there are no consequences for not complying with the Functional Plan, it calls into question the effectiveness of the regulations.

Issue #3: Title 11 New Urban Area Planning

Local governments responsible for Title 11 planning have various obstacles they face. Before choosing a certain action, the council may want to hear directly from the local governments to gain a better understanding of their issues. If the council takes no action this year, 11 local governments will be out of compliance for the 2005 compliance period.

Issues #4: Exceptions Request from Clackamas County on Title 3

The Nature in Neighborhoods program could allow the county to tie the Title 3 issue to the broader work of the fish and wildlife habitat protection program. This would provide additional time for the county to comply with Title 3.

QUESTION(S) PRESENTED FOR CONSIDERATION

- Does the council want to schedule a date for a public hearing on the 2004 compliance report?
- Does the council want to specifically request the participation of those local governments that are not in compliance with the Functional Plan to the hearing on the 2004 compliance report?
- How does the council want to proceed with general compliance issues that need a broader discussion?
- What direction does the council want to take for Title 11 New Area Planning?
- Does the council want to schedule a public hearing on the exceptions request from Clackamas County after the conclusion of the 2005 legislative session?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __ Yes X No

Title 11 New Area Concept Planning with March 2005 Planning Deadline					
as of June 2005					
Project Name	Study Area #	Lead Government	Total Acres	Dwelling Unit Capacity	Planning Obstacles/Comments
Springwater	6 & 12	Gresham	1,500	1,417	Planning proceeding
West Linn	37	West Linn or Clackamas County	373	1,166	Waiting for pending litigation challenging Metro's 2002 UGB decision to be resolved. County wants city to do planning
Study Area 59	59	Sherwood	85	313	Council approved Title 11 extension request to March 2006. City has started concept planning, approx 40-50% completed.
Cipole Road	61	Tualatin	15	0	Industrial area
99W	x	Sherwood	18	0	Road alignment
Bull Mountain	63	Washington County or Tigard	258	688	Measure to annex unincorporated area between city boundary and area added to UGB to Tigard defeated by voters in Nov 2004.
Bull Mountain	64	Washington County or Tigard	262	1,047	See Area 63 above
Cooper Mountain	67	Washington County or Hillsboro or Beaverton	507	1,019	Who plans area has not been determined.
Study Area 69	69	Washington County or Hillsboro	384	884	Hillsboro developed South Hillsboro Concept Plan which includes both areas 69 and 71 but also areas that are not yet in UGB. Metro should be getting concept plan soon
Study Area 71	71	Hillsboro	88	416	Portion contained in Witch Hazel Community Plan and is being developed. Remainder will be developed as development moves east. Area included in South Hillsboro Concept Plan
Forest Grove Swap	x	Forest Grove		0	Industrial land. Council approved Title 11 extension request to June 2006 for comp plan amendments and rezoning and June 2007 for long-range boundary recommendations.
Bethany	84-87	Washington County	726	3,546	Litigation pending; county will begin planning when legal appeals completed.
Bonny Slope	93	Multnomah County	159	524	Metro Council adopted Resolution 04-3518 directing Metro staff to facilitate completion of concept planning. Metro in process of bringing local governments together to discuss concept planning
		Totals	4,375	11,020	

REGIONAL SOLID WASTE MANAGEMENT PLAN ROLL-OUT

Metro Council Work Session
Tuesday, July 5, 2005
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: 07/5/05

Time: 3:20

Length: 60 minutes

Presentation Title: RSWMP Update Roll-out

Department: Solid Waste & Recycling

Presenters: Janet Matthews, Marta McGuire

ISSUE & BACKGROUND

The Regional Solid Waste Management Plan (RSWMP) serves as a framework for coordinating solid waste and recycling programs, provides policy direction, and identifies roles and responsibilities in the regional solid waste system.

The public process for updating the 1995 – 2005 Regional Solid Waste Management Plan (RSWMP) began in February 2004 with a series of stakeholder meetings to identify planning issues. With the concurrence of Metro Council, three key planning issues for the updated RSWMP to address were ultimately identified, and became the centerpiece of public discussion in the “Let’s Talk Trash” outreach from last fall:

- Ensuring public needs for garbage, recycling, and other services (e.g., hazardous waste) are met by the solid waste system;
- Determining how much more waste can be recycled, and the level of effort and investment the region is willing to make to achieve the waste reduction goal; and
- Identifying how sustainability principles can “green” the solid waste system.

Direction for the RSWMP draft relative to the first issue above will be determined with the conclusion of the Council-directed Disposal System Planning (DSP) project. This will enable RSWMP to address how public services such as self-haul will be provided in the future, as well as any changes in how Metro will regulate system facilities. According to the Disposal System Planning project schedule, direction on disposal issues for the RSWMP draft update will be resolved in the second quarter of 2006.

Direction for the RSWMP draft on the second issue will be contained in the “waste reduction plan” portion of RSWMP. (RSWMP fulfills a state requirement that the regional watershed have a waste reduction plan.) Staff and stakeholder work on this part of the Plan has focused on (1) determining costs and benefits of potential new programs to increase recovery; (2) updating toxicity and waste reduction goals and objectives; and (3) developing a fuller emphasis on education and product stewardship strategies. This portion of the developing RSWMP draft is moving on a faster track than Disposal System Planning, and will be ready to air through Council and the Regional Solid Waste Advisory Committee (SWAC) in the coming weeks and months. According to schedule, the waste reduction plan portion of the draft RSWMP update should be fully vetted with regional stakeholders by the end of this quarter (September).

Meanwhile, the third key planning issue above is being considered by a SWAC work group. The group has been assigned a ground-breaking task: identify potential sustainability initiatives for component parts of the regional solid waste system, e.g., facility operations, waste transport. This work is intended

to build on sustainability initiatives Metro has incorporated in its current operations contract for the public facilities, and should contribute an entirely new dimension to the Facilities and Services chapter of RSWMP. According to schedule, sustainability recommendations for solid waste system components will be ready to air with regional stakeholders in this quarter.

This work session is intended to identify a process acceptable to Council for review of key elements of the draft RSWMP that are on disparate schedules.

OPTIONS AVAILABLE

- A. Waste reduction-related elements of the Plan are reviewed by Council this calendar year and, after any necessary revisions, approved as an interim regional waste reduction plan. During final RSWMP project phases of public review and document approval, the interim waste reduction plan would be merged into the draft RSWMP document.
- B. The draft RSWMP is reviewed by Council only as a whole document, after Disposal System Planning elements are complete, perhaps by the second quarter of 2006.
- C. The current RSWMP is amended to bring regional waste reduction program direction current until such time as the entire RSWMP update can be finalized.

IMPLICATIONS AND SUGGESTIONS

Choosing "A" above continues momentum on waste reduction work accomplished with stakeholders over the past year, and can provide the region with a current, interim waste reduction plan.

Choosing "B" above suggests that the Council does not support the interim waste reduction plan approach, but instead prefers to assemble and review a complete draft at the conclusion of the Disposal System Planning project.

Choosing "C" above suggests the Council agrees with the importance of keeping regional waste reduction program guidance current, but prefers the approach of amending to the current RSWMP rather than adopting an interim waste reduction plan.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Which option does Council prefer?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No

SCHEDULE FOR WORK SESSION

Department Director Approval _____
Chief Operating Officer Approval _____

Agenda Item Number 6.0

CORRIDOR PLANNING

Metro Council Work Session
Tuesday, July 5, 2005
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: 6/28/05 Time: 2:55 Length: 20 minutes

Presentation Title: Corridor Planning Priorities

Department: Planning

Presenters: Richard Brandman, Bridget Wieghart

ISSUE & BACKGROUND

The 2000 Regional Transportation Plan (RTP) identified eighteen corridors with significant transportation needs, which required further study before a specific project could be developed. The Transportation Planning Rule (TPR) requires that these corridor refinements be completed in the short term. In 2001, Metro led a regional process to develop a work program for completion of the corridor refinement planning. A summary of the results of that process is attached ("Corridor Initiatives Findings").

Significant progress has been made by Metro and others in completing refinement planning on initial priority corridors. Metro staff has been working with a subgroup of TPAC to update the work program for the 2006-2010 planning period. The proposed update to that work program is attached. Staff is seeking input from the Council on this work program.

OPTIONS AVAILABLE

The proposed revisions are listed on the attached Work Program. That work program highlights four potential "major new corridor refinements" for the next planning period. Metro has funding to complete two of the proposed "major new corridor refinements recommended in the second period". The City of Portland is seeking funding to complete the I-405 loop and ODOT has some funding and is seeking additional monies for the I-205 south corridor study. The TPAC subgroup is proposing that Metro commit to completing work on two new multi-modal corridor plans in the next five years:

- I-84/US 26 Connector. It is proposed that this plan be completed in conjunction with Phase II of the Powell/Foster Corridor and Damascus and Springwater area concept planning studies.
- I-5 South (from Highway 217 to Wilsonville). It is proposed that this refinement plan include a southwest area value pricing network study, as an adjunct to the Highway 217 Corridor Study. The planning effort would also be conducted in conjunction with anticipated area concept planning and transportation planning on I-5/99W and I-205 south.

Metro could choose to complete these studies in the near term or, working with its regional partners, it could choose other corridors or a different approach. The specific priorities are the focus of discussion at this time.

IMPLICATIONS AND SUGGESTIONS

These corridor refinement studies are required to be completed. If the corridor refinements are not completed, Metro would be out of compliance with TPR requirements and face possible repercussions from the Department of Land Conservation and Development. In addition, the region is seeking Metro's leadership in resolving critical transportation problems. Staff needs direction from the Metro Council and JPACT on the work program for the next five years.

QUESTION(S) PRESENTED FOR CONSIDERATION

Due to time constraints, this discussion is being conducted in two parts. On June 28, staff will present background information on the corridor planning program and seek Council feedback on the overall approach to the work program. Another work session is being scheduled (probably for July 5) to discuss specific corridors and priorities in more detail.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION Yes No
DRAFT IS ATTACHED Yes No**

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____

Chief Operating Officer Approval _____

Corridor Initiative Fundings

Technical Evaluation Summary

Jurisdictional Interest

Corridors Proposed for Study

Purpose

In conjunction with jurisdictional and community interest, the technical evaluation will help prioritize corridor planning studies described in the Regional Transportation Plan for long-term transit, highway, pedestrian and bicycle improvements.

Criterion Description

Support of Key Land Uses

Measures access to, and growth in, key land uses called out in the 2040 plan (regional centers, downtowns and industrial areas).

Congestion

Measures ability to get around in the region.

Support of 2040 Transit Goals

Assessment of future transit needs and deficiencies in each corridor.

Support of 2040 Freight Goals

Measures the importance of corridor to freight movement.

Safety and Reliability

Identified areas with more significant safety problems based on a 5-year accident history.

First Tier Corridors

I-5 (North) Corridor

Banfield (I-84) Corridor

Powell/Foster Corridor

Sunset Highway Corridor

McLoughlin and Hwy 224 Corridor

Barbur Blvd./I-5 Corridor

Second Tier Corridor

I-205 (South) Corridor

I-5 (South) Corridor

I-205 (North) Corridor

Highway 217 Corridor

Macadam/Highway 43 Corridor

TV Highway Corridor

Sunrise Corridor

Third Tier Corridor

NE Portland Highway Corridor

Highway 213 Corridor

I-5 to Hwy 99W Connection Corridor

North Willamette Crossing Corridor

I-84 to US 26 Corridor

	Land Use	Congestion	Transit	Freight	Reliability
I-5 (North) Corridor	■	■	■	■	■
Banfield (I-84) Corridor	■	■	■	■	□
Powell/Foster Corridor	■	■	■	□	■
Sunset Highway Corridor	■	■	■	■	■
McLoughlin and Hwy 224 Corridor	■	■	■	■	■
Barbur Blvd./I-5 Corridor	■	■	■	■	■
Second Tier Corridor					
I-205 (South) Corridor	■	■	□	■	□
I-5 (South) Corridor	□	■	■	■	□
I-205 (North) Corridor	■	□	■	■	□
Highway 217 Corridor	■	■	■	■	■
Macadam/Highway 43 Corridor	■	■	■	■	■
TV Highway Corridor	■	■	■	□	■
Sunrise Corridor	□	■	□	□	■
Third Tier Corridor					
NE Portland Highway Corridor	■	□	□	■	■
Highway 213 Corridor	□	■	□	□	■
I-5 to Hwy 99W Connection Corridor	□	□	□	■	□
North Willamette Crossing Corridor	■	□	□	□	□
I-84 to US 26 Corridor	□	□	■	□	□

High

Low

High

High

High

Medium

High

Low

Medium

High

Medium

Medium

Medium

Medium

Medium

Medium

Low

Medium

Work Program for Corridor Refinement Planning Through 2020 (with draft revisions in bold)

Jun-05

Corridor and Key Facilities Corridor Planning On-Going	First Planning Period (2001 - 2005)	Second Planning Period (2006 - 2010)	Third Planning Period (2011 - 2020)
I-5 (North) Corridor - I-5 from I-84 to Vancouver	I-5 Trade Corridor Study <i>Completed</i>	Financial Plan/EIS/Preliminary Engineering <i>Study Initiated</i>	
Powell/Foster Corridor - Powell Blvd. from the west end of Ross Island Bridge to Gresham. Foster Road from Powell to Hwy. 212 Damascus.	Corridor Planning - Phase I <i>Study Completed</i>	Phase II Corridor Planning, Streetscape plan Powell from RIB to City Limits, Environmental Impact Study and Preliminary Engineering of I-205	
Highway 217 Corridor - Hwy. 217 from Sunset Hwy. To I-5	Corridor Planning <i>Study Initiated</i>	Environmental Impact Study and Preliminary Engineering	
Sunrise Corridor - Hwy. 212/224 from I-205 to US 26.	Complete Refinement Planning and EIS for Unit 1 <i>Study Initiated</i>	Begin Unit Two Environmental Study	
Macadam/Highway 43 Corridor - Hwy. 43 from Ross Island Bridge to West Linn.	Transit/Pedestrian/Bike Transportation Demand Management Study/South of the Sellwood Bridge <i>Study Initiated</i>	Environmental Assessment/DEIS and Preliminary Engineering	
I-5 to Highway 99W Connector - Tualatin- Sherwood Road from I-5 to Hwy. 99W, Hwy. 99W from Tualatin-Sherwood Road to Bell Road.	Southern Alignment Study, Complete Exceptions, Right-of-Way Preservation Analysis, Corridor Planning <i>Initiated</i>	Complete Corridor Plan and Environmental Impact Study	
New Major Corridor Refinements Recommended in the Second Period			
I-84 to US 26 Connector Corridor - 238th/242nd from I-84 to Burnside, and US 26/Burnside from Hogan Road to 282nd	Freight Data Collection Study <i>Study Initiated</i>	Corridor Planning, National Highway and System Truck Designation	Preserve Right of Way, Environmental study & design of arterial improvements
I-205 (South) Corridor from I-5 to Johnson Crk Blvd	Corridor Planning/Interchange Ramp Access Study <i>Study Initiated</i>	Complete Corridor Planning, Possible Environmental Impact Study	
I-5 (South) Corridor - I-5 from Hwy. 99W in Tigard to Wilsonville	Boeckman Road Interchange Study <i>Study Completed</i>	Corridor Planning	Environmental Impact Study
I-405 Loop	Corridor Reconnaissance Study Completed	Corridor Planning, Initiate Environmental study of priority improvements	
Other Corridors			
North Willamette Crossing Corridor - Study new crossing near St. Johns Bridge (Hwy. 30 from NW Newberry Road to BN Railroad Bridge).			Corridor Planning
Highway 213 Corridor - Hwy. 213 from I-205 to Leland Road.	Construct Southbound Turning lane on Highway 213 <i>Study Completed</i>	Implement Funded Recommendations of Highway 213 Design Study	Refine Corridor Planning and Design
Barbur Blvd./I-5 Corridor - Hwy. 99W and I-5 from I - 405 to Tigard.	Implement Transit Service Improvements and Elements of the Barbur Streetscape Plan (not all streetscape) <i>Study Initiated</i>		Initiate Corridor Planning, Begin Environmental Assessment/Environmental Impact Statement Process
TV Highway Corridor - Tualatin Valley Hwy. from Hwy. 217 to downtown Hillsboro.		Refine scope of work in RTP updates	Corridor Planning (if required)
Sunset Highway Corridor - US 26 from I-405 to Lovell Street.	Refinement and Environmental Assessment of Hwy. 26 Widening to Cornell, Barnes Road design/construction. <i>Design Complete/Construction started</i>	Engineering of US 26 Widening west of Murray Boulevard	
NE Portland Highway Corridor - Columbia Blvd. from Burgard to Killingsworth, Lombard from I - 5 to Killingsworth, and Killingsworth from Lombard to I - 205.	East End Connector Environmental Assessment, Begin Refinement Planning through I-5 Trade Corridor, Adopt St. Johns Truck Access Study <i>Study Completed</i>	Implement St. Johns Truck Access Study Recommendations, Environmental Assessment and Engineering on I-5 Trade Corridor Recommendations <i>Construction Commenced</i>	
I-205 (North) Corridor - I - 205 from Hwy. 224 to Vancouver.	South Transit Corridor Study and I-5 Trade Corridor Study (transit only) <i>Completed</i>	Reconnaissance Planning for Interchange Improvements	Corridor Planning for Roadway Widening
Banfield (I-84) Corridor - I - 84 from I - 5 to Troutdale.	Light Rail Capacity Analysis <i>Completed</i>	Transit, Transportation System Management Corridor Plan	Transit Improvements and/or Transportation System management Projects
McLoughlin and Hwy. 224 Corridor - Hwy. 99E from Hawthorne Blvd to Oregon City, Hwy. 224 from McLoughlin Blvd. To I - 205.	South Transit Corridor EIS and Preliminary Engineering <i>Initiated</i>		Corridor Planning for Highway Improvements

070505c-01

A G E N D A

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1542 | FAX 503 797 1793



METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: July 7, 2005
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. CONSENT AGENDA

3.1 Consideration of Minutes for the June 23, 2005 Metro Council Regular Meeting.

4. ORDINANCES – SECOND READING

4.1 **Ordinance No. 04-1063A**, For the Purpose of Denying a Solid Waste Facility Franchise Application of Columbia Environmental, LLC to Operate a Local Transfer Station Hosticka

5. OREGON LEGISLATIVE UPDATE

6. CHIEF OPERATING OFFICER COMMUNICATION

7. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for July 7, 2005 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 -- Community Access Network www.yourtvtv.org -- (503) 629-8534 2 p.m. Thursday, July 7 (live)</p>	<p>Washington County Channel 30 -- TVTV www.yourtvtv.org -- (503) 629-8534 11 p.m. Saturday, July 9 11 p.m. Sunday, July 10 6 a.m. Tuesday, July 12 4 p.m. Wednesday, July 13</p>
<p>Oregon City, Gladstone Channel 28 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.</p>	<p>West Linn Channel 30 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.</p>
<p>Portland Channel 30 (CityNet 30) -- Portland Community Media www.pcatv.org -- (503) 288-1515 8:30 p.m. Sunday, July 10 2 p.m. Monday, July 11</p>	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, (503) 797-1542. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website www.metro-region.org and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

070505c-02

**PERS Liability Bonding
Draft Schedule
as of June 30, 2005**

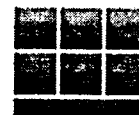
Items related to Council legislative actions

Action	Date
1 st Council briefing and work session	Tuesday, 7/5/05
Authorizing resolution filed with Council office	Thursday, 7/7/05
Authorizing Resolution approved by Council	Thursday, 7/21/05
Resolution, payoff request letter, IGA & \$750 check sent to Seattle Northwest and submitted to PERS	Friday, 7/22/05
Official statement materials sent to Seattle Northwest	By Thursday, 7/28/05
All bond & official statements documents finalized	Month of August
Prepare supplemental budget materials	Month of August
File supplemental budget with Council Office	Thursday, 9/1/05
Final opt out date for bond pool	Tuesday, 9/6/05
Pricing of bonds	Tuesday, 9/13/05
Supplemental Budget, 1 st reading with Council (5:30 meeting at PCC SE)	Tuesday, 9/13/05
Publish public notice on TSCC hearing	5-30 days prior to hearing
TSCC hearing	Week of 9/19/05
Bond materials packet delivered to districts	Tuesday, 9/20/05
Bond materials packet returned to Preston, Gates, Ellis	Friday, 9/23/05
Bond closing	Thursday, 9/29/08
Council adopts supplemental budget (2 nd reading following TSCC hearing)	Thursday, 9/29/05
Payment to PERS	Friday, 9/30/05
Payroll rates reduced	October 1, 2005

070505c-03

PERS Financing Update for Metro

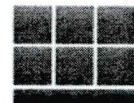
July 5, 2005



**SEATTLE-NORTHWEST
SECURITIES CORPORATION**

PERS Liabilities: Current Status

- ✓ Despite legislative reforms to the system, PERS liabilities remain sizeable.
- ✓ In January, PERS actuary projected average payroll rates for municipalities would rise from 10.64% to 18.89%.
- ✓ In response to unexpected magnitude of increase, the PERS Board opted to phase in over two valuation periods for all but non-pooled jurisdictions. Independent jurisdictions have the option of taking immediate increase.
- ✓ Rates beginning July 1, 2007 will increase by amount not absorbed in 2005.
- ✓ 2007 rates will not be finalized until late 2006, and will take into account actual investment experience as well as changes in payrolls.
- ✓ Supreme court ruling on March 8 held certain legislative reforms unconstitutional. City of Eugene case is still pending. Impact on unfunded liabilities is not clear but is not expected to be significant.

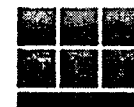


Payroll Contribution Rates

Metro

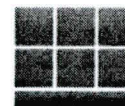
	Current Rate (2001 Valuation)	2003 Valuations		
		Original ⁽¹⁾	Revised ⁽²⁾	Projected ⁽³⁾ (takes effect 7/1/07)
Normal Cost	11.08%	11.21%	11.21%	11.21%
Health Care Premium	.64	.59	.59	.59
Amortization of UAL	<u>(4.42)</u>	<u>3.26</u>	<u>.41</u>	<u>5.08</u>
Total:	<u><u>7.30%</u></u>	<u><u>15.06%</u></u>	<u><u>12.21%</u></u>	<u><u>16.88%</u></u>
UAL Amount	\$18,461,566 ⁽⁴⁾			

1. Based on 2003 valuation prior to decision to spread increases over 2 biennia. Assumes immediate implementation of rate increase as of December 31, 2003.
2. Based on 2003 valuation after decision to spread increases over 2 biennia. Rates to take effect 7/1/05.
3. Projected rate for 2005 valuation.
4. Fair Market Value.



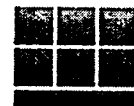
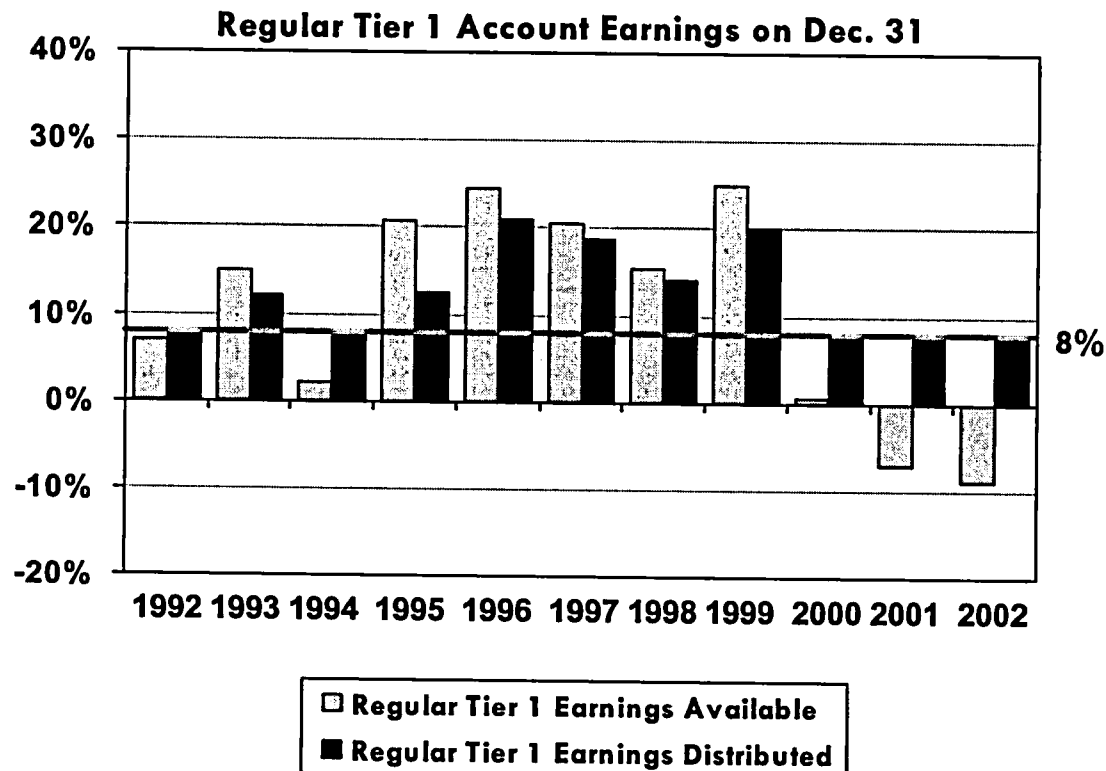
Unfunded Actuarial Liability: History

- ✓ In 1999, UAL was calculated at \$900 million. By 2002, UAL was projected to exceed \$17 billion.
- ✓ Legislature made substantial changes to avoid catastrophic financial consequences:
 - 8% guarantee provided over career, not annually
 - COLAS suspended temporarily to offset prior over-crediting.
 - 6% employee contribution deposited in 401(k)-type account, not subject to money match
 - Mortality tables updated
 - PERS board completely revamped
 - New system (OPSRP) created for employees hired after August 29, 2003.
- ✓ Original legislative changes reduced UAL by approximately 50%
- ✓ Remaining losses are root cause of current rate increases.
- ✓ Oregon Supreme Court ruled that changes to 8% guarantee and COLAS were unconstitutional. Other changes upheld. City of Eugene lawsuit still pending.



Low Investment Returns in 2000-2002 Exacerbated UAL

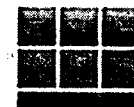
- ✓ Earnings for PERS funds in 2000 equaled 0.54%, -6.96% in 2001 and -8.93% in 2002, while Tier 1 employees were guaranteed 8%.



What Can You Do About UAL?

Some jurisdictions have chosen to finance PERS liability with bonds.

- ✓ Original statutory authority provided in 2001. Clarifying amendments in 2002 and 2003 sessions.
- ✓ PERS is currently financing the deficit at 8% interest rate annually.
- ✓ Although bonds would have to be sold on taxable basis, interest rates in open market remain well under 6.00%.



Bonding Examples

Date	Issuer	Size	TIC	PV Savings
June 2005	OSBA - 16 school districts (Pending)	\$ 492 m	4.77%	\$ 171 m
June 2005	OCCA - 6 community colleges (Pending)	\$ 57 m	4.86%	\$ 19 m
May 2004	Local Government Pool – 10 cities, counties, special districts	\$ 126 m	6.11%	\$ 23 m
Feb 2004	OSBA – 23 school districts	\$ 400 m	5.49%	\$ 120 m
	OCCA – 6 community colleges	\$ 100 m	5.49%	\$ 25 m
Oct 2003	State of Oregon	\$ 2,000 m	5.78%	\$ 481 m
April 2003	OSBA – 44 school districts	\$ 927 m	5.73%	\$ 230 m
	OCCA – 6 community colleges	\$ 153 m	5.72%	\$ 37 m
Oct 2002	OSBA – 41 school districts	\$ 775 m	5.60%	\$ 207 m
March 2002	Local Government Pool – 10 cities, counties, special districts	\$ 238 m	7.00%	\$ 21 m

Miscellaneous other cities, counties and special districts have sold bonds since 1999 at rates ranging from 6.50% to 7.80%



Summary of Refunding Results

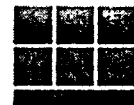
Metro

Dated Date	9/30/2005
Delivery Date	9/30/2005
Bond Par Amount	\$ 24,650,000
True Interest Cost	6.00%
Aggregate Savings	\$ 7,562,982
Average Annual Savings	\$ 328,825
Net PV Savings	\$ 4,473,214
Percentage Savings of Refunding Bonds	18.15%



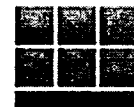
Savings Metro

Date	Prior Debt Service	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 09/30/2005 @ 5.9956357%
06/30/2006	1,206,282.55	1,079,367.12	179,174.94	900,192.18	306,090.37	310,038.03
06/30/2007	1,664,577.93	1,449,156.16	89,227.68	1,359,928.48	304,649.45	301,407.45
06/30/2008	1,731,161.04	1,508,681.16	79,127.46	1,429,553.70	301,607.34	284,111.06
06/30/2009	1,800,407.50	1,570,293.86	-	1,570,293.86	230,113.64	210,326.69
06/30/2010	1,872,423.80	1,633,587.06	-	1,633,587.06	238,836.74	206,554.22
06/30/2011	1,947,320.73	1,698,166.90	-	1,698,166.90	249,153.83	203,758.37
06/30/2012	2,025,213.56	1,763,584.50	-	1,763,584.50	261,629.06	202,154.09
06/30/2013	2,106,222.11	1,834,439.70	-	1,834,439.70	271,782.41	198,696.68
06/30/2014	2,190,470.99	1,910,036.20	-	1,910,036.20	280,434.79	194,180.44
06/30/2015	2,278,089.83	1,984,907.20	-	1,984,907.20	293,182.63	191,935.71
06/30/2016	2,369,213.44	2,063,698.80	-	2,063,698.80	305,514.64	189,193.06
06/30/2017	2,463,981.97	2,145,748.20	-	2,145,748.20	318,233.77	186,431.81
06/30/2018	2,562,541.23	2,235,377.60	-	2,235,377.60	327,163.63	181,686.39
06/30/2019	2,665,042.89	2,321,610.30	-	2,321,610.30	343,432.59	180,237.57
06/30/2020	2,771,644.60	2,414,019.90	-	2,414,019.90	357,624.70	177,594.85
06/30/2021	2,882,510.40	2,511,594.70	-	2,511,594.70	370,915.70	174,415.32
06/30/2022	2,997,810.81	2,613,300.50	-	2,613,300.50	384,510.31	171,238.95
06/30/2023	3,117,723.26	2,718,080.60	-	2,718,080.60	399,642.66	168,502.94
06/30/2024	3,242,432.18	2,823,709.80	-	2,823,709.80	418,722.38	166,938.77
06/30/2025	3,372,129.47	2,936,165.40	-	2,936,165.40	435,964.07	164,535.22
06/30/2026	3,507,014.62	3,054,249.80	-	3,054,249.80	452,764.82	161,837.46
06/30/2027	3,647,295.23	3,176,765.40	-	3,176,765.40	470,529.83	159,283.83
06/30/2028	1,877,997.68	1,637,514.60	-	1,637,514.60	240,483.08	84,542.17
	56,299,507.82	49,084,055.46	347,530.08	48,736,525.38	7,562,982.44	4,469,601.10



Issues to Consider

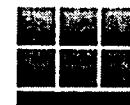
- ✓ Refinancing PERS UAL is not risk-free. Choosing to finance liability involves certain risks; not choosing to finance does as well.
- ✓ Main benefit is in short and long term reductions in costs, but in most cases cost savings are estimates, not guarantees.
- ✓ Interest rates remain at historic lows. Borrowing rates are currently well under 6%. If interest rates rise, opportunities to reduce costs may disappear.



What Happens to Bond Proceeds?

Lump sum payment is made directly to PERS

- ✓ Funds held in separate “lump sum” account for the benefit of the jurisdiction making payment. Invested with all other PERS funds.
 - Actual earnings and losses credited to account, net of fixed administrative charges (\$2,500 for first 3 years, \$1,000 per year thereafter).
 - Earnings and losses in account are reconciled and adjusted at each biennial valuation based on investment performance and relative payroll growth rates of individual employer versus pooled growth rates.
- ✓ Employer contribution rates reduced on first of month following lump sum payment.
- ✓ Funds in account amortized and applied to reduce payroll contribution rates through December 1, 2027.



The Arbitrage Issue

This is not like refinancing your mortgage...

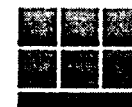
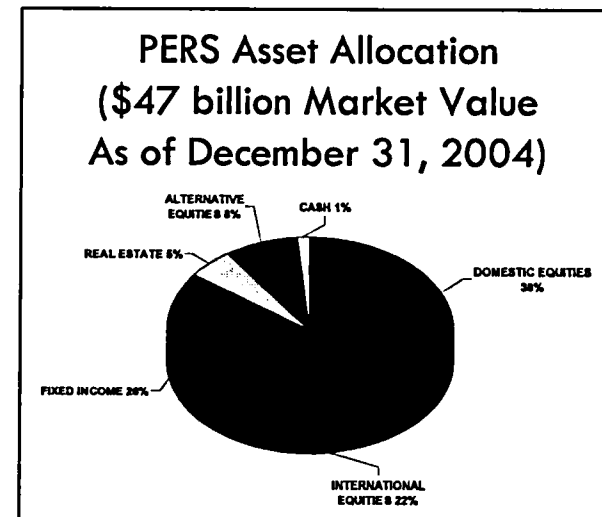
- ✓ Success from borrowing for non-transition liabilities depends on the market returning more than the cost of the bond.
 - If returns equal 8% over 23 year period (as assumed by PERS) over the life of the bonds, costs will be reduced as estimated.
 - If returns are greater than 8%, cost reductions will be greater than projected.
 - If returns are less than 8% cost reductions will be less than projected.
 - If returns are less than the bond yield, borrowers will be worse off than those who do not borrow.



Investment of Lump Sum Payments

Oregon Investment Council is responsible for PERS investment.

- ✓ Common stock acquisitions limited to 50%.
- ✓ PERS has long history of strong investment performance.
 - 10-year average: 12.38%
 - 15-year average: 12.69%
 - 56-year average: 10.84%
- ✓ July 2003 study by Russell Investment Group (Frank Russell Company) estimated expected annual total return on PERS would be 8.8% over 20 years.
- ✓ State Treasury regression analysis conducted in July 2003 projected probability of positive arbitrage in PERS refinancing at nearly 90%.



Recent Returns – Lump Sum Accounts

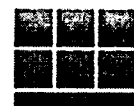
Oregon Local Governments Pension Obligations Series 2002 A & B

	Earnings Factor	Monthly yield	Per \$ Invested on 4/1/02	Per \$1MM Invested on 4/1/02 (1)
3/31/2002	0.77%	1.86%	\$ 1.00	\$ 1,000,000.00
4/30/2002	-0.05%	-0.81%	\$ 0.99	\$ 991,900.00
5/31/2002	-0.13%	-0.13%	\$ 0.99	\$ 990,610.53
6/30/2002	-3.37%	-3.20%	\$ 0.96	\$ 958,910.99
7/31/2002	-8.05%	-4.84%	\$ 0.91	\$ 912,499.70
8/31/2002	-7.27%	0.85%	\$ 0.92	\$ 920,255.95
9/30/2002	-12.70%	-5.86%	\$ 0.87	\$ 866,328.95
10/31/2002	-9.35%	3.84%	\$ 0.90	\$ 899,595.98
11/30/2002	-6.09%	3.60%	\$ 0.93	\$ 931,981.44
12/31/2002	-8.22%	-2.27%	\$ 0.91	\$ 910,825.46
1/31/2003	-1.54%	-1.54%	\$ 0.90	\$ 896,798.75
2/28/2003	-2.49%	-0.96%	\$ 0.89	\$ 888,189.48
3/31/2003	-1.73%	0.71%	\$ 0.89	\$ 894,495.62
4/30/2003	3.40%	5.29%	\$ 0.94	\$ 941,814.44
5/31/2003	7.94%	4.35%	\$ 0.98	\$ 982,783.37
6/30/2003	9.42%	1.41%	\$ 1.00	\$ 996,640.62
7/31/2003	10.54%	1.02%	\$ 1.01	\$ 1,006,806.35
8/31/2003	12.69%	1.94%	\$ 1.03	\$ 1,026,338.39

	Earnings Factor	Monthly yield	Per \$ Invested on 4/1/02	Per \$1MM Invested on 4/1/02 (1)
9/30/2003	13.95%	1.12%	\$ 1.04	\$ 1,037,833.38
10/31/2003	18.49%	3.98%	\$ 1.08	\$ 1,079,139.15
11/30/2003	20.21%	1.45%	\$ 1.09	\$ 1,094,786.67
12/31/2003	23.30%	2.57%	\$ 1.12	\$ 1,122,922.69
1/31/2004	1.71%	1.71%	\$ 1.14	\$ 1,142,124.66
2/29/2004	3.13%	1.40%	\$ 1.16	\$ 1,158,114.41
3/31/2004	3.78%	0.63%	\$ 1.17	\$ 1,165,410.53
4/30/2004	1.93%	-1.78%	\$ 1.14	\$ 1,144,666.22
5/31/2004	2.49%	0.55%	\$ 1.15	\$ 1,150,961.89
6/30/2004	3.88%	1.36%	\$ 1.17	\$ 1,166,614.97
7/31/2004	2.18%	-1.64%	\$ 1.15	\$ 1,147,482.48
8/31/2004	3.38%	1.17%	\$ 1.16	\$ 1,160,908.03
9/30/2004	5.29%	1.85%	\$ 1.18	\$ 1,182,384.83
10/31/2004	7.11%	1.73%	\$ 1.20	\$ 1,202,840.09
11/30/2004	10.79%	3.44%	\$ 1.24	\$ 1,244,217.78
12/31/2004	13.91%	2.82%	\$ 1.28	\$ 1,279,304.73
1/31/2005	-1.25%	-1.25%	\$ 1.26	\$ 1,263,313.42
2/28/2005	1.17%	3.65%	\$ 1.31	\$ 1,309,424.36

TIC 7.00%

Total Return 30.94%
Annualized 10.61%



SEATTLE-NORTHWEST
SECURITIES CORPORATION

Recent Returns – Lump Sum Accounts

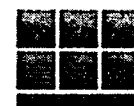
Oregon Local Governments Pension Obligations Series 2004

	Earnings Factor	Monthly Yield	Per \$ Invested on 5/28/04	Per \$1MM Invested on 5/28/04 (1)
5/31/2004	2.49%		\$ 1.00	\$ 1,000,000.00
6/30/2004	3.88%	1.36%	\$ 1.01	\$ 1,013,600.00
7/31/2004	2.18%	-1.64%	\$ 1.00	\$ 996,976.96
8/31/2004	3.38%	1.17%	\$ 1.01	\$ 1,008,641.59
9/30/2004	5.29%	1.85%	\$ 1.03	\$ 1,027,301.46
10/31/2004	7.11%	1.73%	\$ 1.05	\$ 1,045,073.78
11/30/2004	10.79%	3.44%	\$ 1.08	\$ 1,081,024.31
12/31/2004	13.91%	2.82%	\$ 1.11	\$ 1,111,509.20
1/31/2005	-1.25%	-1.25%	\$ 1.10	\$ 1,097,615.33
2/28/2005	1.17%	3.65%	\$ 1.14	\$ 1,137,678.29

TIC 6.11%

Total Return 13.77%

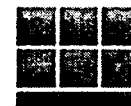
Annualized 18.36%



**SEATTLE-NORTHWEST
SECURITIES CORPORATION**

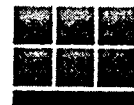
Other Issues to Consider

- ✓ For pooled borrowers, adjustments to payroll rates will vary going forward to track payroll growth rates relative to pool.
- ✓ Rate adjustment will be different in each valuation, and for transition liabilities is difficult to track. Those with lump sum accounts will get specific reports.
- ✓ Bonds are not likely to be subject to early redemption.



Potential Timeline for Financing Program

July 21	Authorizing Resolution approved by this date
July 22	Resolution and Payoff Request Letter, Intergovernmental Agreement and \$750 check sent to Seattle-Northwest and submitted to PERS.
July 28	All OS Materials sent to Seattle-Northwest
August	Documents Finalized Ratings and insurance arrangements finalized.
September 6	Final date to opt out of borrowing program PERS payoff calculations provided
September 13	Pricing
September 20	Packets delivered to districts
September 23	Packets returned to Preston
September 29	Closing
September 30	Payment to PERS
October 1	Payroll rates reduced



Regional Solid Waste Management Plan Draft Outline

Front Material

- Cover letter
- Acknowledgements
- Table of Contents
- Executive Summary

I. Chapter 1, Introduction

- A. Why a Regional Plan?
- B. Context of the Plan
- C. The Planning Process
- D. Scope of Plan
- E. Historical benchmarks
- F. Organization of Plan

II. Chapter 2, Current Solid Waste Practices

- A. Introduction
- B. The Regional Solid Waste System
- C. Roles in SW
- D. Current Practices
 - 1. Toxicity and Waste Reduction
 - 2. Waste Disposal
 - 3. Collection Services
 - 4. Facilities and Services
 - 5. Illegal Dumping
- E. Current Waste Composition
- F. Current WR and Disposal Rates
- G. Current and Future Waste Quantities

III. Chapter 3, Future Direction and Regional Policies

- A. Introduction
- B. RSWMP Vision
- C. Regional Values
- D. Regional Policies

IV. Chapter 4, Waste and Toxicity Reduction, Regional Program Focus Areas

- A. Introduction
- B. Goals and Objectives
 - 1. Waste Reduction
 - a. Residential
 - b. Multifamily
 - c. Business
 - d. Organics
 - e. Construction and Demolition
 - 2. Education Services
 - a. Information services
 - b. School education
 - 3. Toxicity Reduction
 - a. Hazardous waste reduction
 - b. Hazardous waste collection
 - 4. Product Stewardship

V. Chapter 5, Solid Waste Facilities and Services

- A. Introduction
- B. Goals and Objectives
 - 1. Regulation and Siting
 - 2. Collection
 - 3. Transfer and Disposal System

VI. Chapter 6, Plan Progress, Performance and Updates

- A. Introduction
- B. Process
- C. Program Monitoring
- D. Program Evaluation
- E. Regional Benchmarks
- F. Future Plan Updates

Back Material/Appendices

Glossary

Appendices as appropriate:

- A. Disaster Debris Plan
- B. Detailed Waste Composition Data
- C. System Financing

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Council Touch Points for RSWMP Development

RSWMP Element		2005						2006					
		J	A	S	O	N	D	J	F	M	A	M	J
(Chapter 3)	HIGH LEVEL DIRECTION												
	Vision												
	Values												
	Policies												
	- Waste Reduction												
	- Facilities and Services												
- Rates and Revenue													
(Chapter 4)	WASTE REDUCTION PLAN												
	Waste Reduction												
	Education Services												
	Toxicity Reduction												
Product Stewardship													
(Chapter 5)	FACILITIES AND SERVICES												
	Regulation and Siting												
	Collection												
	Transfer and Disposal System												