

MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, July 12, 2005
Metro Council Chamber

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

Councilors Absent: Susan McLain (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:03 p.m.

1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, JULY 14, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS

Council President Bragdon reviewed the Metro Council agenda for July 14, 2005. He noted that Area 93 citizens would be speaking to the Council. Councilor Newman asked about councilor amendments for Ordinance No. 05-1077A. Councilor Liberty said there were three things that needed to be discussed beyond the model ordinance. Michael Jordan, Chief Operating Officer (COO), talked about physical changes in the Council Office.

2. MEASURE 37 CLAIMS PROCESS

Lydia Neill, Planning Department said Dick Benner, Senior Metro Attorney, had prepared a draft of an ordinance. They wanted to move the process along because they have several active claims. Ms. Neill said they had looked at a number of ordinances adopted at the city and county level. She reviewed the draft ordinance, which required that there was a demolition of value and when was ownership established. She said a fee was specified in the ordinance as well as a public hearing process. She talked about additional conditions such as no future claims. Councilor Burkholder asked if that was legal. Mr. Benner said he thought it was legal. Councilor Park clarified the additional condition on future claims. Councilor Liberty said it was not written this way. He asked about claim consolidation. He suggested making this clearer. Council President Bragdon asked about someone contesting the decision. Mr. Benner responded to his question. Councilor Liberty said the ordinance outlined the due diligence. Mr. Jordan asked what if someone doesn't follow the procedures? Did Council want the administration to do the due diligence if the claimant refused to do the due diligence? It would cost the agency some money but he was being asked to make a recommendation. Ms. Neill said it could be several thousand dollars to do the due diligence. Mr. Jordan said they would do an upfront review to make a recommendation to Council. Councilor Park asked about how you would do the valuation. Mr. Benner said a real example involved a territory of Damascus. It was currently zoned rural and was planned for industrial. The potential claimant said that the value was higher if it was one acre residential. Councilor Burkholder talked about the need for definition.

Councilor Liberty concurred with Councilor Burkholder's comments on the need for definition. He said these claims were pretty complicated. Most local governments didn't have to time. He felt the claims should come to the Council and explained why. Ms. Neill added that if they get an incomplete application, they could come to a work session and brief the council about the issue. Council could make the choice as to whether to pursue the claim. Councilor Park talked about Measure 2629, there was supposed to be Urban Growth Boundary (UGB) impact analysis done. This was not in place yet, would that be of any service or help us? Ms. Neill said she thought it

was too general. Ms. Neill said it was dependent upon how you did the valuation process. She said if they wanted an exact amount it was important to have an appraisal. Councilor Liberty asked about modifying the value. Mr. Benner said this was probably unknown. He explained further the measure. Councilor Hosticka said this discussion seemed to imply that the COO would make some judgment about the diminution of value. Mr. Benner spoke to the COO's recommendation, which was a two-step analysis. He provided the specifics of the recommendation. Councilor Hosticka suggested that it did not say specifically what the COO recommendation would include. He asked about enhancing the value of the property and what that meant. Mr. Benner responded such as increase in density in conjunction with the local government. Councilor Liberty provided an example, such as, an improvement to the sidewalk or drainage. Councilor Hosticka suggested the ordinance should say that the Council President would schedule the public hearing. Councilor Burkholder talked about the filing claims specifics. He suggested defining these as Metro's regulations. Mr. Benner said it was defined in another section of the ordinance. Councilor Park asked if up zoning was considered a decrease or increase in value? Councilor Liberty talked about a restriction or a limitation in the language of Measure 37. Mr. Benner said an appraisal would address some of these questions. Councilor Liberty offered to carry the ordinance.

Ms. Neill provided an update on the Measure 37 Task Force. The last meeting should be August 8th and a recommendation would come to Council on August 18th. Council President Bragdon said Community Economic Development Strategy (CEDS) was producing a document and going to ask for an endorsement from local governments. He asked Ms. Neill to report on this. Ms. Neill said she thought the document was general in nature. She explained further the specifics of the document. She thought Council would be pleased when they saw the document. Council President Bragdon said the regional partners were going out to the counties as well the cities. Ms. Neill said she would provide copies of the document. Andy Cotugno, Planning Director, suggested Metro Policy Advisory Committee (MPAC) and the Bi-State Committee review the document. Councilor Liberty said the ordinance would be consider before or on September 22nd.

3. TECHNICAL REVISIONS TO THE MODEL ORDINANCE

Chris Deffebach, Planning Department, said Metro Technical Advisory Committee (MTAC) and MPAC had met and come up with recommendations on the model ordinance for the Functional Plan. MTAC reviewed them last week; they supported taking them to MPAC for approval. They raised issues such as fee in lieu, concerns about staffing levels, reiterated Metro producing technical assistance and questions and concerns about how Title 3 implementation might differ from Title 13. MTAC supported the work. Ms. Deffebach said the in lieu issue would not be in front of Council this Thursday. She noted the revised Exhibit E. Malu Wilkinson, Planning Department, summarized the main issues addressed at MTAC (a copy of which is included in the meeting record). Issue 1) applicability – unclear when and where the ordinance would apply, it was not in one place. They reorganized and developed clarify that the ordinance applied to any property with Habitat Conservation Area (HCA). They reorganized the ordinance as well and moved the map piece to the back. Issue 2) planting standards were enhanced, five trees and 25 shrubs. They lowered the planting numbers but increased the planting standards as well as ensuring requirements for planting standards. Councilor Park asked about the 500 square feet and was it considered in the drip line? Ms. Wilkinson said the 500 square feet was based on the amount of disturbance. They added plant spacing requirements as well.

Council President Bragdon asked about the fee in lieu issue. Would it come back in September. Councilor Hosticka suggested talking about these issues at a retreat before the September 22nd adoption date. Councilor Park asked about plant survival rates. Ms. Wilkinson said 85% after 5

years. Councilor Burkholder talked about the need for review overtime. Mr. Jordan talked about design review requirements. Almost all of the codes have a survivability overtime clause. Ms. Wilkinson further explained protection outside sensitive areas. Ms. Deffebach said the overall monitoring needed to be discussed further at the August retreat. Ms. Wilkinson reviewed off site mitigation issues through a streamlined discretionary approach. There were two discretionary streamlined approaches for mitigation. Issue 3) process and notification – this version was silent except for the more detailed map verifications. She talked about the map administration changes. Councilor Liberty asked who was doing the map verification. Ms. Wilkinson said local jurisdictions would be doing these verification based on Metro's map. Paul Garrahan, Assistant Metro Attorney, talked about applying state laws. The model ordinance remained silent. Ms. Wilkinson continued on the map verification issue. Councilor Liberty talked about the in lieu issue. Ms. Wilkinson addressed Issue 4) the fly zone of the airport. These conditioned activities had been moved around in the model ordinance to a section titled exempt and condition uses. Issue 5) having to do with land divisions - land partitions had been included in the model ordinance. Councilor Park raised the issue concerning new areas and old areas. Ms. Wilkinson explained the requirement for a sub-division. Ms. Wilkinson said she had covered the discretionary review. She addressed the utilities issues, a clear and objective standard. The final issue was the on-site density transfers. Their solutions were that cities and counties could come up with their density standards. She passed out conforming amendments (a copy of which is included in the meeting record). Councilor Burkholder asked about the 80% density requirement and possible impact on other goals. Councilors talked about capacity issues. Ms. Garrahan said the current Urban Growth Management Functional Plan allowed lesser density. Councilor Liberty provided a list of issues to be discussed at a future date.

4. BREAK

5. REVIEW OF REQUEST FOR PROPOSALS (RFP) FOR SYSTEM CONSULTANT FOR DISPOSAL SYSTEM PLANNING

Mike Hogle, Solid Waste and Recycling Director, and Paul Ehinger, Solid Waste and Recycling Department reviewed the RFP for disposal system planning. This RFP was to be considered by resolution on July 21st. Mr. Ehinger said the consultant would study the system impact. He explained the consultant's scope of work, three ownership concepts: private, public and mixed. Councilors felt that the full range needed to be explored. It would allow them to see the trade offs. Mr. Ehinger then spoke to the work plan and criteria. The consultant would assemble the Council's values; talk to stakeholders so they can get an idea of generally accepted goals and values. They would also evaluate how each part of the system addresses those values. He spoke to the committee that would evaluate the RFPs. The criteria were a project approach, understanding the issue and methodology. He talked about the necessary experience of the consultant. He noted that budget and cost would be 15% of the cost. Councilor Burkholder asked how did you allocate waste, the right and privilege to collect waste. Was there a resource stream to raise dollars for other public projects? Councilor Liberty clarified the scope of this RFP. Mr. Hogle said this exercise would also sharpen the Councilors' values and goals. Council President Bragdon asked why they were using a consultant instead of current staff. Mr. Hogle responded to his question. Councilor Park felt it was a fair question. They wanted an outside review. Council President Bragdon said if they had bias on our staff, there were other ways to take care of the bias. Councilor Liberty provided a history as to why they would want a consultant. Councilor Newman asked about the type of firms that would apply for this RFP. Mr. Ehinger said they were broad based firms including engineering, economic, solid waste and privatization firms. He said this was a relatively specific area with the need for specialized knowledge. Councilor Park said he thought they wanted an unbiased and outside expertise on this

issue. Councilor Hosticka said he thought they should have a third party look at this. He wanted to make sure that person was engaged both with Metro and the private sector. He talked about criteria and the need for empirical information. Mr. Ehinger said one was a project management element so they get unbiased information they wanted. The second part was one they hadn't concluded and that was what kind of communication was needed to present to Council. Mr. Hoglund explained how the consultant would interact with the Council. Councilor Park hoped that what came out of this was which one did they think got them closer to the values of the region.

6. OREGON TRANSPORTATION PLANNING RULE COMMENTS

Councilor Burkholder said Land Conservation and Development Commission (LCDC) and Oregon Transportation Commission were working on an amendment to the Oregon Transportation Rule. He felt this represented a broadening of the rule. Tom Kloster, Planning Department, said they were asking Council to give consensus on a letter, which would be signed by the Council President and the Chair of Joint Policy Advisory Committee on Transportation (JPACT). He provided a history of the reason for the update and the change in process. In December they released a draft which Metro had concerns about. He then talked about the half-mile rule (he provided a map of the effected area). He said the effect of the rule was greater in our part of the region than other parts of the State. They had asked the State to pull back on the half-mile rule. They weren't successful in that pull back. He explained what they were trying to do with the letter, which included a map with current impacts. There was still rule making coming up effecting Metropolitan area comments. He explained further the impacts of the proposals. There were a lot of people that believed the purpose of the rule was shifting. He noted Washington County dissented on the letter; they wanted to start over again. Councilor Burkholder talked about two other pieces (a copy of which is included in the meeting record). Mr. Kloster spoke to Goal 12. He then addressed the change in the draft preamble. Councilor Burkholder talked about transportation issues that needed to be raised. Councilor Liberty talked about a way to present a petition for rule making. Mr. Kloster spoke to recommended changes from MTAC. Meg Fernekes, LCDC, said this issue had gotten their attention. Lane Shetterly, LCDC, had offered to continue to have a dialogue with Metro after MPAC. They could present together at the LCDC public hearing. Councilor Burkholder said they were looking for a nod from the Council for the letter. There may be some amendments at MPAC and MTAC. Councilor comments were useful to Mr. Kloster. Council gave their nod to proceed with the letter.

7. PERS UNFUNDED LIABILITY

Bill Stringer, Chief Financial Officer (CFO), said they had discussed the possibility of bonding the unfunded liability for Metro Public Employees Retirement System (PERS). He explained what was an unfunded actuarial liability. He referred to page 3 of Metro's PERS unfunded actuarial liability when Metro joined a pool. He provided a history of the PERS fund. He spoke to court cases, which could have impacts on the rates and what Metro's liability was. He said it was important to recognize what the actuarial looked at. He talked about the three possible options to deal with the unfunded liability. He noted points on page 7 that dealt with the reserve. Councilor Hosticka asked about the unfunded liability and at what point was it done. Mr. Stringer responded never. Ms. Rutkowski, Budget Coordinator, clarified the issue of unfunded liability. Council President Bragdon asked about the logistics of the bond. Councilors suggested borrowing more than the \$23 million. They asked about time limitations. Mr. Stringer responded to their question and clarified his recommendation. Dan Cooper, Metro Attorney, explained what the point Councilor Burkholder was trying to make. Mr. Stringer explained the use of the \$5 million. Mr.

Metro Council Work Session Meeting

07/12/05

Page 5

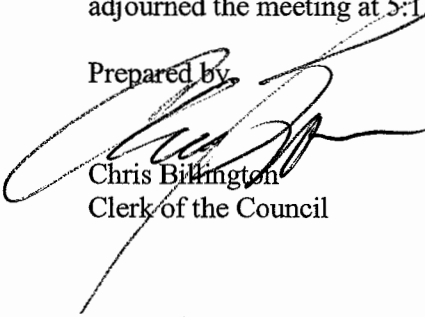
Jordan explained that they had budgeted \$2.5 million for the reserve each year. Mr. Stringer talked about call-ability.

8. COUNCIL BRIEFINGS/COMMUNICATIONS

Councilor Hosticka reported on the Tualatin Basin Coordinating Committee action. Mr. Jordan said there was a discussion regarding the Oregon Department of Transportation (ODOT) director.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:15 p.m.

Prepared by



Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JULY 12, 2005

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	7/14/05	Metro Council Agenda for July 14, 2005	071205c-01
3	Article	7/7/05	To: Metro Council From: Councilor Hosticka Re: Oregonian article on Trickle Down Theory – improving streams in Washington County	071205c-02
3	Draft amendments	7/8/05	To: Metro Council From: Malu Wilkinson, Planning Department Re: Amendments to Ordinance No. 05-1077A to revise Exhibit A and technical amendments to Exhibit C	071205c-03
3	Key Issues	7/6/05	To: MPAC From: Andy Cotugno, Planning Director Re: Revised Title 13 Model Ordinance for Nature in Neighborhoods and Title 13 Model Ordinance Key Issues	071205c-04
3	Draft revisions	7/7/05	To: Metro Council From: Malu Wilkinson, Planning Department Re: Draft Revisions to Attachment 1 to Amendment to Ordinance No. 05-1077A Revised Exhibit E	071205c-05
3	Examples	7/12/05	To: Metro Council From: Paul Ketcham, Planning Department Re: 5 examples of Habitat Friendly Design Solutions Title 13 Model Code: Examples of Development Standards under clear and objective approach	071205c-06
6	Division 6	No date	To: Metro Council From: Tom Kloster, Planning Department Re: Division 12 Transportation Planning 660-012-0000 Purpose	071205c-07
6	Work Group Discussion Draft	6/10/05	To: Metro Council From: Tom Kloster, Planning Department Re: Transportation Planning Rule Purpose Statement	071205c-08

Item	Topic	Doc Date	Document Description	Doc. Number
6	Draft Letter	6/14/05	To: John Vanlandingham, Chair Land Conservation and Development Commission From: Rex Burkholder, JPACT Chair, Council President Bragdon and Jack Hoffman, MPAC Chair	071205c-09
6	Map	4/25/05	To: Metro Council From: Tom Kloster, Planning Department Re: Current Zoning within ½ mile of Highway Interchanges	071205c-10
7	Power Point Presentation	7/12/05	To: Metro Council From: Bill Stringer, CFO Re: Metro's PERS Unfunded Actuarial Liability	071205c-11
7	Draft Resolution and staff report	7/12/05	To: Metro Council From: Bill Stringer, CFO Re: Draft Resolution concerning PERS Unfunded Actuarial Liability	071205c-12