

Metro

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Metro

Minutes

Tuesday, January 28, 2020

2:00 PM

Metro Regional Center, Council Chamber

Council work session

2:00 Call to Order and Roll Call

Council President Lynn Peterson called the Metro Council work session call to order at: 2:01pm.

Present: 7 - Council President Lynn Peterson, Councilor Sam Chase, Councilor Christine Lewis, Councilor Shirley Craddick, Councilor Craig Dirksen, Councilor Juan Carlos Gonzalez, and Councilor Bob Stacey

2:05 Safety Briefing**Work Session Topics:**

2:10 Committee on Racial Equity Committee Next Steps

Council President Peterson introduced Ms. Raahi Reddy, Director of Diversity Equity and Inclusion (DEI), and Nathan Sykes, Deputy Metro Attorney.

Ms. Reddy explained the focus of the work session included taking appropriate steps for the Committee on Racial Equity (CORE) to become an ongoing and permanent committee.

Ms. Reddy provided a brief background on CORE. She stated that Council adopted the strategic plan to advance racial equity, diversity, and inclusion in 2016. The plan included CORE, which would assist the Metro Council by providing oversight and evaluation on their efforts.

Ms. Reddy stated that since the committee was created, it has played a pivotal role as an advisor to Metro staff. Some of the work included assistance to develop a racial equity plan to four departments - Parks and Nature, Planning, Waste Prevention and Environmental Services (WPES), and the Oregon Zoo. Additionally, input was provided for bond measures on affordable housing and Parks and Nature.

Ms. Reddy argued CORE, if continued, would support Metro's long-term racial equity goals as well and it would

build trust with communities of color.

Mr. Sykes reported that in Metro Code section 2.19060, provided that all advisory committees created by Metro, are task forces unless stated otherwise, under no circumstance be continued more than three years unless authorized by a dually adopted ordinance. Mr. Sykes and staff requested that Metro adopt an ordinance that would place CORE into the Metro Code in chapter 2.19.

The questions posed to the Metro Council included: What is Metro Council's vision for CORE's ongoing role in advancing the agency's racial equity goals? What steps would the Metro Council like to take to secure CORE's role?

Council Discussion

Councilor Chase remarked that he agreed to establish CORE as a formal committee.

Councilor Dirksen evaluated the practice of racial equity being a philosophy that must be pursued as well as a continued ongoing effort. He also agreed with establishing CORE as a formal committee.

Councilor Stacey agreed with Councilor Dirksen. He stated that achieving racial equity would require an ongoing process.

As a CORE liaison, Councilor Lewis reported that she was able to see the value of CORE working directly with staff and the Council to ensure that all community voices would be heard and incorporated. While she did support CORE, she requested for the committee to reevaluate and reinvent itself to better provide for changes in the future.

Councilor Craddick noted how CORE had developed and

evolved throughout its years of implementation.

Councilor Gonzalez remarked that CORE was an asset to Metro and that he also supported the ordinance. He recommended CORE to continue to streamline the way Metro's committees interact with one another as well as their engagement with the Council.

President Peterson emphasized a need for interactions between other committees with CORE, as it would help with regional growth. With the Council's support, President Peterson recommended moving forward with an ordinance to establish CORE as a permanent committee.

2:25 FY 2021 Budget Discussion: Parks and Nature

Council President Peterson introduced Jon Blasher, Director of Parks and Nature.

Mr. Blasher provided background on Parks and Nature's mission to protect water quality, and fish and wildlife habitat while creating opportunities to enjoy nature close to home. Their racial equity action plan included economic, environmental, and cultural equity. Mr. Blasher also discussed Parks and Nature's guiding policies and plans: the 1992 Metropolitan Greenspaces Master Plan, 1996 Metro Urban Growth Management Plan, 2011 Regional Framework Plan, 2016 Parks and Nature System Plan, and 2016 Strategic Plan to Advance Racial Equity, Diversity, and Inclusion.

Mr. Blasher reminded the Council of Parks and Nature's primary funding sources, which included a 33 percent general fund, 34 percent from the operating Levy passed in 2013, and 33 percent from bonds.

Before Mr. Blasher continued with new funding sources, he reported on fiscal years 2018, 2019, and 2020. He provided

a numerical breakdown that included Personnel Services Materials and Services, Capital Outlay, and FTE.

For FY21, Mr. Blasher proposed streamlining funding sources to accommodate department growth, efficiency, and transparency. Parks and Nature planned on implementing the proposition by combining the General Fund Allocation and the Levy Allocation into one operating fund. Doing so would result in a clearer overview of the departments operating budget and it would make it easier for employees to code for better financial tracking.

The next major project mentioned was investing the \$475 million 2019 bond measure to continue protecting clean water, restoring fish and wildlife habitat, and connecting people with nature close to home with an emphasis on racial equity and climate resiliency. Mr. Blasher reported the department anticipated selling the first batch of bonds, which was approximately \$200 million, in spring of 2020.

Mr. Blasher provided more information on bond spending during FY 20-21. Approximately \$10 million would be used during the current fiscal year to ensure the bond gets movement. Additionally, \$25 million would be spent during the FY20-21 that included 16 new positions and supporting projects such as improvements to Blue Lake and Chehalem Ridge.

Mr. Blasher reported on bond-specific budget modifications. Out of the 16 new positions requested, ten would be requested for the FY20-21 budget proposal. The positions ranged from natural resource specialists to ADA construction coordinator.

In addition to bond-specific budget modifications, Mr. Blasher mentioned five modifications to staff positions to support the growing park system: one overnight ranger,

one maintenance worker, one administrative specialist, one guest services coordinator, and one guest services administrative supervisor.

Mr. Blasher commented on Parks and Nature's growing team and the need for physical expansion. He stated that \$180,000 is dedicated in next year's budget for rental space.

Additional budget modifications Mr. Blasher reported on included: agency-wide DEI, climate change mitigation, research center, special projects team, and Newell Creek Canyon. All projects would help advance department and Council priorities mentioned in Council Budget Note 1, 3, and 5.

Mr. Blasher mentioned shifts made within the existing budget to prioritize important needs. The shifts made included \$50,000 to training and staff development, \$100,000 for land management, and \$800,000 for renewal and replacement.

There were three main areas Mr. Blasher asked to get direction from Council: timing, service levels, and future portfolio.

Mr. Blasher stated that the proposed budget would take important steps to begin delivering on the 2019 bond measure, advance equity, and support agency-wide priorities.

Council Discussion

Councilor Craddick inquired if one of the positions in the budget would include a manager for the Nature Neighborhoods program.

Councilor Stacey requested for Mr. Blasher's comment on

internal financial transfers that provided services to departments, such as DEI and the research center, that enabled the budget team to track overall expenditures for each departmental program.

Councilor Chase asked for clarification on the budget modifications in terms of repetition. He also inquired on the administration cap for the bond.

Councilor Lewis requested more information on the budget for the reorganization of the Parks and Nature department.

Councilor Dirksen inquired on DEI's budget separation for Parks and Nature. Additionally, he questioned if the five additional budget modifications of staff positions were existing or new.

Councilor Gonzalez expressed his gratitude towards Parks and Nature. He commented on the importance of budget modification in terms of climate change mitigation as well as the research center.

President Peterson thanked Mr. Blasher along with the rest of Parks and Nature staff. She questioned the renaming of the Conservation Core, how staff's partnership would expand beyond regional illegal dumping (RID), and how Mr. Blasher sees the internship program expanding in the Parks department.

2:55 Regional Investment Strategy: Transportation Investment Measure

Council President Peterson introduced Mr. Andy Shaw, Director of Government Affairs.

Mr. Shaw stated that the work session would include an update on #GetMoving communications and outreach, revenue mechanism, staff analysis, and request for Council direction.

Before beginning, Mr. Shaw provided the Council with an overview of the Regional Investment Strategy's (RIS) timeline, which included:

- February 4, work session on Parks and Nature bond implementation and refinement
- February 6 vote on approving the Housing Bond Local Implementation Strategy and IGA for the City of Gresham and staff at the oversight committee would present proposed racial equity metrics for the bond.

Mr. Shaw discussed updates regarding communication and engagement. He mentioned community workshops were to be held at each county to engage communities of color who have not had access to the decision-making process. Additionally, Mr. Shaw stated that there was a continuance of conversation with key stakeholders as well as mentioning the finalization of community partners' scopes.

Mr. Shaw spoke on the progress of #GetMoving communications. The items included: revamping the website, developing fact sheets and toolkits for Metro and partners, and a new content calendar. In combination, all items would help facilitate storytelling of what the proposed packages meant for those residing throughout the region.

Mr. Shaw considered the role of regional funding in the broader scope of the region, such as: state and federal, transit, and local. He stated that federal funding is limited, unreliable, and complex due to its contribution to ODOT's budget as well as other grant programs. State funding is mostly focused on systems such as major freeways and highways.

Mr. Shaw briefly mentioned highlights of HB 2017 and its funding sources as a comparison for the upcoming measure. One primary example was Trimet using 57% of its HB 2017 funds into service upgrades.

Mr. Shaw referred to local funding examples for road improvements. The items included: county vehicle registration fees, local street utility fees, property taxes, and local gas taxes. Despite the given funding, Mr. Shaw argued it was not enough. He also mentioned that local funds tend to focus only on local fixes.

Mr. Shaw then compared the funding to the 13 corridors that were moved forward unanimously by the Transportation Task Force. Metro's regional funding, Mr. Shaw stated, was meant to support and connect a regional system of corridors for transit, mobility and safety. Mr. Shaw also spoke about Metro's programs advancing regional priorities in a strategic way, such as the safe routes to school program as well as the regional trails system plan.

Mr. Shaw posed the following questions regarding the feasibility of funding: Can Metro use it? Can it be collected easily? Does it help raise enough? Could voters and key stakeholders support it?

Mr. Shaw provided an overview of the possibility of funding provided by EcoNorthwest, which was as follows:

- Property tax - \$0.552 per \$1,000 assessed value would raise \$100M per year. The advantages of the tax would be its commonality and easy comprehension, it's relatively easy to administrate, and would be very stable. However, it did have constraints, such as the inequities in Oregon's taxing system and bond limits to capital spending.
- Vehicle registration fee - a \$56 car registration fee would only raise \$65M. The advantages of the fee included its easy comprehension, stability, easy collection, and its clear user tax. The constraints of the fee would be spending restrictions, rate cap, limited revenue raised, and a likely flat rate.

- Vehicle privilege tax - a 2.6% dealer tax on sales, raising \$100M. The advantages of the tax would be its relatively easy administration, and its clear user tax. However, it would require change to state law.
- Regional gas tax - a charge of \$0.16 per gallon of gas as well as a \$0.13 charge per gallon for gas and diesel combined. The advantages of the tax included its level of comprehension, easy collection, stability, and its clear use tax. The constraints included spending restrictions as well a flat rate.
- Employer payroll tax - a 0.21% employer/self-employment payroll tax. The advantages of the tax would be its understandability, easy collection, and relatively stability overtime.
- Corporate activities tax - a 0.1% gross receipts tax would fund \$100M. The advantages of the tax included substantial revenue and stability. The main constraint is that it would require change in state law.
- Business income tax - a 0.8% business income tax. The main advantage included its relatively easiness in administration. The constrain is that it would be volatile and there would be a 1% rate cap.
- Personal income tax - a 0.2% flat income tax, or an alternative of tiered income tax. The advantages of the tax included tax rises with income, its familiarity, and relatively easy administration. Similar to the business income tax, it would be volatile and a 1% rate cap.
- General sales tax - a 0.18% to 0.25% sales tax. The advantages of the tax included the relatively stability and revenue potential. The main constraint was that everyone pays the same rate; there's no collection system in place.
- Prepared food/beverage sales tax - a 1.3 to 1.8% food/beverage sales tax. There are two advantages: no spending restrictions and its relatively stability. The constraints of the tax included same rate pay,

administration challenges, and there would be no collection system in place.

Mr. Shaw then reminded the Council of how much revenue is needed. The total investments included the Task Force recommendations Tier 1 measure investments, leveraged FTA & local investments, and total Tier 1 corridor investments amounted to approximately \$7.03B. He explained that the total revenue stream needed would be \$350-\$450 million annually for 20 years. It is likely, Mr. Shaw mentioned, that sources would have to be combined to create an ample package.

Mr. Shaw provided a brief summary of major findings of a public opinion survey conducted during a Task Force meeting with FM3 Research. There were three favorable regional funding options. Those included payroll and business taxes, vehicle registration fees, and vehicle privilege tax. There were also three less favorable regional funding options: property tax, gas tax, and sales tax.

Additionally, in the survey, there were possible combinations of raising revenue. The most supported combination included a vehicle registration fee, personal income tax, and employer payroll tax. The weakest supported combination included a vehicle registration fee, property tax, and employer payroll tax.

Mr. Shaw briefed the Council on Task Force discussion themes during the December 11 and the January 15 meeting. Some themes included advancing racial equity goals, avoiding disproportionate burden on people with lower incomes, engaging business community and other stakeholders early in the process, and support for blending mechanisms that allows for the contribution from everyone.

Mr. Shaw had prepared the following questions for Council

discussion: Does Council support narrowing revenue options under consideration? Does Council have questions for staff to explore? Do the four options of employer payroll tax, vehicle registration fee, business income tax, and personal income tax make sense to keep exploring?

Mr. Shaw provided a timeline update for the Transportation Investment Measure:

- For February, Mr. Shaw mentioned engagement that included program community workshops and surveys, the February 18 work session would include outcome updates and tier 1 questions, and the Task Force would hold tier 2 corridor discussions.
- Council work sessions held in March would entail the expenditure plan and possible measure structure questions, the March 4 Task Force meeting would discuss regionwide programs, and oversight and accountability questions.
- Staff will complete a Programs Recommendation to Council in April's work session as well as Tier 2 investment direction based on Task Force recommendations. The Task Force will include oversight, accountability, and refinement.
- In May, Mr. Shaw would ask for finalization from Council for the measure package, including oversight and accountability. In late May there will be a Council referral decision.

Council Discussion

Councilor Gonzalez inquired if there was an analysis on regression. He also questioned if the business income tax included measures that would ensure it did not negatively impact small businesses.

Councilor Lewis questioned if the 1% rate cap was just for Metro or all local governments.

Council President Peterson commented on the strong opposition she had previously received on both personal and business income tax.

Councilor Dirksen asked for clarification on the business tax.

Councilor Craddick inquired if the four previously mentioned combinations would sufficiently raise enough funds.

Councilor Dirksen inquired about the political feasibility of the gas tax.

Council agreed with the four options given by Mr. Shaw but noted that there was already a strong opposition to personal and business income tax.

Councilor Gonzalez inquired where the funding for the antidisplacement strategy would derive from in the package.

3:55 Chief Operating Officer Communication

Heidi Rahn provided an update on the two candidates for the COO position.

4:00 Councilor Communication

Councilor Dirksen commented on his reelection on the Oregon MPO Consortium.

Councilor Gonzalez brought attention to the Supreme Court decision on public charge. He mentioned that the decision was used as a fear tactic to dissuade immigrants and vulnerable communities from accessing different government services.

President Peterson reminded Council about the Dr. Steven Holt meetings as well as the State of the Region.

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JANUARY 28, 2020

Item	Topic	Doc. Date	Document Description	Doc. Number
1.0	Handout	01/28/2020	EcoNorthwest Report	012820cw-01
2.0	PowerPoint	01/28/2020	Parks and Nature Budget Proposal	012820cw-02
3.0	PowerPoint	01/28/2020	Transportation Funding Measure: Revenue Mechanisms	012820cw-03

4:05 Adjourn

Seeing no further business, Council President Lynn Peterson adjourned the Metro Council work session at 3:48p.m.

Respectfully submitted,



Diadira Pedro-Xuncax, Council Policy Assistant