

Metro

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Metro

Minutes

Tuesday, June 9, 2020

2:00 PM

This work session was held virtually.

Council work session

2:00 Call to Order and Roll Call

Council President Lynn Peterson called the work session to order at 2:00 p.m.

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

Work Session Topics:**2:05 Budget Work Session**

President Peterson introduced Marissa Madrigal, Chief Operating Officer, and Brian Kennedy, Director of Finance and Regulatory Services, to present on the Budget Work Session.

Mr. Kennedy provided a brief overview of the FY 2020-21 Budget Amendments timeline. He noted that the Budget would be adopted on June 18th, 2020. Mr. Kennedy listed the budget actions: substantive amendments, technical amendments, and special amendments.

Mr. Kennedy reviewed the five substantive amendments: the first amendment was related to the Supportive Housing Services Measures, the second pertained to the Oregon Zoo and the Metropolitan Exposition Recreation Commission venues, the third focused on the Investment and Innovation grant program, the fourth was related to Communications, and the fifth pertained to non-departmental special appropriations.

Mr. Kennedy discussed the four technical amendments: the first amendment pertained the Metro Council, the second was related to Information Services, the third focused on Human Resources, and the fourth was related to the Oregon Zoo.

Ms. Madrigal noted that staff would withdraw the budget amendment related to Communications.

Council Discussion

President Peterson expressed deep appreciation towards staff for the amendments and the presentation. She inquired about the \$300,000 allocation to the Investment and Innovation grant program.

Councilor Lewis recommended that staff increase the Investment and Innovation grant program allocation to ensure that each grant was greater than \$10,000. She emphasized the importance of ensuring that the Metro Council experienced similar budget reductions that Council was asking other Metro departments to take.

Councilor Dirksen, Chase, and Gonzalez expressed support for an increase in the Investment and Innovation grant program allocation.

President Peterson recommended staff increase the allocation to \$500,000.

Councilor Craddick inquired about potential impacts reducing the Regional Investment Strategy by \$40,000 would have on the initiative. She asked about the Metro Policy Advisory Committee speakers bureau budget and supported further reductions if deemed necessary.

Councilor Craddick asked for clarification on the Construction Excise Tax.

2:50 Regional Investment Strategy: Transportation Investment Measure
Revenue Mechanisms Update

President Peterson introduced Andy Shaw, Metro staff, and Brian Kennedy, Director of Finance and Regulatory Services,

to present on the Transportation Investment Measure Revenue Mechanisms Update.

Mr. Shaw reviewed the revenue mechanism goals directed by Council: ensuring the mechanism raised sufficient revenue, ensuring it was feasible, ensuring it would not disproportionately burden marginalized communities, and ensuring that it was simple to implement and collect.

Mr. Shaw provided a brief overview of the proposed revenue mechanisms. He discussed the updated proposed revenue mechanisms: vehicle registration fee and business tax based on payroll. He explained that Metro possessed the authority to raise up to a \$56 annual registration fee. He noted that a \$56 fee would raise \$73.2M and a \$38.13 fee would raise \$50M. Mr. Shaw added that the vehicle registration fee would be a flat rate per vehicle fee. He explained that the business tax based on payroll would have a 0.25% rate for private and local government employers. Mr. Shaw noted that the tax would raise approximately \$95.4M a year and small business could be exempt from the tax.

Mr. Shaw discussed how the revenue would be used to fund the sixteen corridor projects and ten program areas. He explained that the approaches to funding would include borrowing money through bonds and pay-as-you-go project funding.

Mr. Kennedy provided an overview of how Metro would meet the objectives of the projects given the revenue estimates. He described three potential scenarios to achieve the objectives: fast start, lower rate, and ramp up. The fast start scenario would enable projects to be delivered on schedule, the lower-rate scenario would have less project capacity and capital project timelines would be extended significantly, and the ramp up scenario would have an early

limited bond capacity and extended project timelines. Mr. Shaw reviewed the options and considerations regarding small business exemptions for business tax based on pay roll, a lower vehicle registration fee, all lower rates, and step up rates over time.

Council Discussion

Councilor Gonzalez inquired about the community engagement plans. He expressed support for the fast-start scenario and inquired about equitable development strategies.

Councilor Stacey expressed support for the ramp-up option.

Councilor Lewis expressed support for the fast-start option. She recommended staff reconsider and lower the vehicle registration fee.

Councilor Chase asked for clarification on the project components on the ramp-up option and recommended staff reconsider the vehicle registration fee.

Councilor Dirksen expressed support for the fast-start scenario.

Councilor Craddick expressed support for the fast-start scenario.

She asked for clarification regarding the business tax scenario which excluded a business tax exemption.

President Peterson recommended a hybrid between the fast start and ramp up scenario with adjustments to the business tax based on payroll.

3:35 Chief Operating Officer Communication

Ms. Madrigal announced that two metro solid waste facilities sold compost contaminated with a persistent

herbicide. She added that the Oregon Department of Agriculture was conducting an investigation to track the source and spread of the contamination. Ms. Madrigal shared that Multnomah County was waiting to hear back about their submitted application for Phase 1 Re-opening. She highlighted that person protective equipment remained in limited supply and difficult to procure for Metro staff.

3:40 Councilor Communication

Councilor Stacey announced that he would be out of office for several weeks due to a medical procedure.

Councilor Dirksen provided an update regarding a virtual tour of an affordable housing unit in Tigard.

Councilor Gonzalez provided an update about the Center for Sustainable Infrastructure meeting.

Councilor Chase provided an update about the MPACT coordinating committee meeting.

Councilor Craddick noted that the June meeting for JPACT was canceled.

3:45 Adjourn

Seeing no further business, Council President Lynn Peterson adjourned the Metro Council work session at 3:57 p.m.

Respectfully submitted,



Nubia Milpas Martinez, Council Policy Assistant

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 09, 2020

Item	Topic	Doc. Date	Document Description	Doc. Number
1.0	PowerPoint	06/09/2020	FY2020-21 Budget Amendments	060920cw-01
2.0	Handout	06/09/2020	Special Appropriations & Regional Investment Strategy	060920cw-02
3.0	PowerPoint	06/09/2020	Get Moving 2020: Revenue Update and Options	060920cw-03