

MINUTES OF THE METRO COUNCIL

May 12, 1994

Council Chamber

APPROVED
Date 5/26/94

Councilors Present: Presiding Officer Judy Wyers, Deputy Presiding Officer Ed Washington, Roger Buchanan, Richard Devlin, Jim Gardner, Mike Gates, Sandi Hansen, Jon Kvistad, Ruth McFarland, Susan McLain, Rod Monroe, Terry Moore and George Van Bergen

Councilors Absent: None

Presiding Officer Wyers called the regular meeting to order at 4:10 p.m.

Presiding Officer Wyers announced the Council would follow the agenda as scheduled until 5:00 p.m. when Agenda Item No. 4.1 was scheduled for a time certain.

1. INTRODUCTIONS

None

2. CITIZEN COMMUNICATIONS TO THE COUNCIL ON NON-AGENDA ITEMS

None

3. EXECUTIVE OFFICER COMMUNICATIONS

None

5. CONSENT AGENDA

5.1 Minutes of April 14 and 28, 1994

Councilor McFarland noted an error in the minutes of April 28, 1994. She noted she was not in attendance at that meeting, but was listed both as voting "aye" and as being absent for the final vote on Agenda Item No. 7.2.

Motion: Councilor McFarland moved, seconded by Councilors Gates, for approval of the Consent Agenda with the correction as listed above.

Vote: Councilor Buchanan, Gates, McFarland, McLain, Moore, Van Bergen, Washington and Wyers voted aye. Councilors Devlin, Gardner, Hansen, Kvistad and Monroe were absent. The vote was 8/0 in favor and the Consent Agenda was adopted with the April 28, 1994, minutes corrected.

6. ORDINANCES, FIRST READINGS

6.1 Ordinance No. 94-547, An Ordinance Amending Ordinance No. 93-487A Revising the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Reflecting Expenditure Increases Due to Delivered Tonnage in Excess of Budget Expectations, Costs Associated with Household Hazardous Waste Events and Shift Coverage, and Declaring an Emergency.

The Clerk read the ordinance for a first time by title only.

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Presiding Officer Wyers announced that Ordinance No. 94-547 had been referred to the Solid Waste and the Finance Committees for consideration.

6.2 Ordinance No. 94-548, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Funding Salary and Fringe for the Office of Government Relations, and Declaring an Emergency

The Clerk read the ordinance for a first time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-548 had been referred to the Finance Committee for consideration.

6.3 Ordinance No. 94-550, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule to Revise the Regional Parks and Expo Fund Budget to Reflect the January 1, 1994, Transfer of Operations, and Declaring an Emergency

The Clerk read the ordinance for a first time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-550 had been referred to the Regional Facilities and Finance Committees for consideration.

6.4 Ordinance No. 94-551, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule to Revise the Building Management Fund to Reflect the Change in Operational Requirements, and Declaring an Emergency

The Clerk read the ordinance for a first time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-551 had been referred to the Finance Committee for consideration.

6.5 Ordinance No. 94-552, Amending the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Transferring \$31,000 from the Zoo Operating Fund, Facilities Management Division Capital Outlay to the Facilities Management Division Materials and Services to Fund the Purchase of Higher than Expected Utility Costs, and Declaring an Emergency

The Clerk read the ordinance for a first time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-552 had been referred to the Regional Facilities and the Finance Committees for consideration.

7. ORDINANCES, SECOND READINGS

7.1 Ordinance No. 94-541, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Reflecting Funding Increases Due to Delivered Solid Waste Tonnage in Excess of Budget Expectations, Restoring Funding for the Neighborhood Annual Cleanup Program, Recognizing New Grant Funds and Related Expenditures, Funding Unanticipated Personal Services Requirements, and Transferring Appropriations Within the Solid Waste Revenue Fund and the Rehabilitation and Enhancement Fund, and Declaring an Emergency (Public Hearing)

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The Clerk read the ordinance for a second time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-541 was first read on April 14, 1994, and referred to the Solid Waste and Finance Committees for consideration. The Solid Waste Committee considered it on April 19 and the Finance Committee considered it on April 27 and May 11, and that both committees recommended the ordinance to the full Council for adoption.

Motion: Councilor McLain moved, seconded by Councilor McFarland, for adoption of Ordinance No. 94-541.

Councilor McLain gave the Solid Waste Committee's report and recommendations. She said both committees unanimously recommended Council adoption of the ordinance and explained in detail the various amounts to be transferred among the various funds.

Councilor Moore asked about pay and range classifications. Councilor Monroe said when an employee was classified down, their pay was frozen at the same salary until raises in other areas caught up with that rate of pay.

Councilor Moore asked why grant funds were used to prepare generic pamphlets on household hazardous waste (HHW) facilities. Councilors McLain and Moore discussed the issues further.

Bob Martin, Director of Solid Waste, explained the Environmental Protection Agency (EPA) had given Metro funds to prepare a brochure for them based on Metro's expertise with HHW facilities. He said Metro could use the brochures, but said they were primarily intended for use also at HHW facilities in other jurisdictions.

Presiding Officer Wyers opened the public hearing.

No persons present appeared to testify and the public hearing was closed.

Vote: Councilors Gardner, Gates, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilor Buchanan voted nay. Councilors Devlin, Hansen and Kvistad were absent. The vote was 9/1 in favor and Ordinance No. 94-541 was adopted.

7.2 Ordinance No. 94-539, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Replacing the South Corridor Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS) with the South/North AA/DEIS, Authorizing 1.0 New FTE, Recognizing New Planning Grants and Related Expenditures and Declaring an Emergency (Public Hearing)

The Clerk read the ordinance for a second time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-539 was first read on April 14, 1994 and referred to the Planning and Finance Committees for consideration. The Planning Committee considered it on May 5 and the Finance Committee considered it on May 11 and both committees recommended the ordinance to the full Council for adoption.

Motion: Councilor Moore moved, seconded by Councilor McLain, for adoption of Ordinance No. 94-539.

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Councilor Moore gave the Planning Committee's report and recommendations. She explained the ordinance would authorize the transfer of funds, add one new FTE, and recognize new planning grants to facilitate work on the South/North Transit Corridor.

Presiding Officer Wyers opened the public hearing.

No persons present appeared to testify and the public hearing was closed.

Vote: Councilors Buchanan, Gardner, Gates, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilors Devlin, Hansen and Kvistad were absent. The vote was 10/0 and Ordinance No. 94-539 was adopted.

7.3 Ordinance No. 94-544A, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule to Reflect Operational Needs at MERC Facilities, Complete Work on the MERC Business Plan, and Declare an Emergency (Public Hearing)

The Clerk read the ordinance for a second time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-544 was first read on April 14, 1994, and referred to the Regional Facilities and the Finance Committees for consideration. The Regional Facilities Committee considered it on April 21 and recommended it to the full Council for adoption and the Finance Committee considered it on April 27 and recommended Ordinance No. 94-544A to the full Council for adoption.

Motion: Councilor Moore moved, seconded by Councilor Gates, for adoption of Ordinance No. 94-544A.

Councilor Moore gave the Regional Facilities Committee's report and recommendations. She said the Committee requested a job description of the employee to be funded.

Councilor Monroe gave the Finance Committee's report and recommendations.

Don Carlson, Council Administrator, noted the FTE in question would be paid for by MERC rather than by Metro's General Services Department.

The Council briefly discussed the issues further.

Presiding Officer Wyers opened the public hearing.

No persons appeared to testify and the public hearing was closed.

Vote: Councilors Buchanan, Gardner, Gates, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilors Devlin and Hansen were absent. The vote was 11/0 in favor and Ordinance No. 94-544A was adopted.

7.4 Ordinance No. 94-545, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule to Reflect Operational Needs at the Metro Washington Park Zoo, and Declaring an Emergency (Public Hearing)

The Clerk read the ordinance for a second time by title only.

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Presiding Officer Wyers announced that Ordinance No. 94-545 was first read on April 14, 1994, and referred to the Finance Committee for consideration. The Finance Committee considered the ordinance on April 27 and recommended it to the full Council for adoption.

Motion: Councilor Washington moved, seconded by Councilor Gates, for adoption of Ordinance No. 94-545.

Councilor Washington gave the Finance Committee's report and recommendations.

Presiding Officer Wyers opened the public hearing.

No persons present appeared to testify and the public hearing was closed.

Vote: Councilors Buchanan, Gardner, Gates, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilors Devlin and Hansen were absent. The vote was 11/0 in favor and Ordinance No. 94-545 was adopted.

7.5 Ordinance No. 94-540, An Ordinance Amending the FY 1993-94 Budget and Appropriations Schedule For the Purpose of Transferring \$28,798 from the Finance & Management Information and Materials to the Finance and Management Information Capital Outlay Account to Fund the Purchase of Canon Copiers and Network Equipment and Declaring an Emergency (Public Hearing)

The Clerk read the ordinance for a second time by title only.

Presiding Officer Wyers announced that Ordinance No. 94-540 was first read on April 14, 1994, and referred to the Finance Committee for consideration. The Finance Committee considered the ordinance on April 27 and recommended it to the full Council for adoption.

Motion: Councilor Kvistad moved, seconded by Councilor Washington, for adoption of Ordinance No. 94-540.

Councilor Kvistad gave the Finance Committee's report and recommendations.

Vote: Councilors Buchanan, Devlin, Gardner, Gates, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilor Hansen was absent. The vote was 12/0 in favor and Ordinance No. 94-540 was adopted.

8. NON-REFERRED RESOLUTIONS

8.1 Resolution No. 94-1956, In Memory of Glenn E. Otto in Appreciation for His Contributions to the Greater Portland Metropolitan Area

Motion to Suspend the Rules: Councilor Monroe moved, seconded by Councilor Gates, to suspend the Council's rules requiring resolutions be referred by committee so that the Council as a whole could consider Resolution No. 94-1956

Vote on Motion to Suspend: Councilors Buchanan, Devlin, Gardner, Gates, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilor

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Hansen was absent. The vote was 12:0 in favor and the motion passed unanimously.

Main Motion: Councilor Monroe moved, seconded by Councilor Washington, for adoption of Resolution No. 94-1956.

Councilor Monroe discussed and praised Senator Otto's service in the State Legislature and discussed some of his experiences working with Senator Otto when he served in the State Legislature also.

Presiding Officer Wyers stated that Senator Otto was an exemplary public servant and extended the Council's sympathy to Senator Otto's family.

Councilor Devlin noted that Senator Otto was instrumental in creating and maintaining Metro via legislation at the State Legislature and said his efforts had added balance to Charter Committee appointments.

Vote on Main Motion: Councilors Buchanan, Devlin, Gardner, Gates, Hansen, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. The vote was 13:0 in favor and Resolution No. 94-1956 was adopted.

9. RESOLUTIONS

9.1 Resolution No. 94-1953, For the Purpose of Expressing Support for the Pacific Northwest Rail Corridor Passenger Service Objectives

Motion: Councilor Gardner moved, seconded by Councilor Devlin, for adoption of Resolution No. 94-1953.

Councilor Gardner gave the Planning Committee's report and recommendations. He explained the resolution reiterated Washington State's commitment to reestablishing rail passenger service from Seattle, Washington, to Vancouver, B.C. and adding additional rail passenger service between Seattle and Portland, Oregon. He said Oregon had committed \$10 million in lottery funding to high speed rail.

Vote: Councilors Buchanan, Devlin, Gardner, Gates, Hansen, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. The vote was 13:0 in favor and Resolution No. 94-1953 was adopted.

4. OTHER BUSINESS

4.1 Consideration and Review of MERC Resolution No. 94-20

Presiding Officer Wyers explained that Councilors Gardner, Hansen and Monroe requested Council review of MERC Resolution No. 94-20.

Councilor Hansen explained earlier this year that MERC had filed Resolution No. 94-15 with the Clerk of the Council and that MERC then rescinded that resolution. She said MERC then submitted MERC Resolution No. 94-20, Adopting the Support Costs Analysis Report dated March 1994 and Establishing Guideline Parameters as Contained in the Report, which she said was substantially similar to Resolution No. 94-15. She said the support costs analysis was contained within the MERC business plan. She said MERC wanted to be able to communicate with Metro if support costs rose much higher. She said concerns had been expressed that the

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resolution set a precedent for departments to question or dispute whatever support costs or allocations they were charged. She said the MERC business plan stated that support costs at this time were reasonable. She said MERC was concerned about potential support costs because MERC costs and overhead had declined while Metro overhead charged to MERC facilities had increased. She said MERC wanted to be able to communicate to Metro about the costs it could not reduce.

Councilor Monroe had said MERC had done a creditable job of reducing costs and making the regional facilities profitable, but said he was concerned about the direction Resolution No. 94-20 took. He said MERC believed that if its profits went down, their share of support costs should be proportionately reduced, but said such action would not be fair to other Metro departments.

Councilor Gardner said he had concerns about policy as stated in the resolution and the Support Cost Analysis. He said such expenses were outside the control of the MERC Commission and administration. He said support costs to Metro had increased and MERC's administrative costs had gone down because Metro now provided services that MERC's administration had previously performed. He said other factors to be considered included Metro's move to a self-insurance system which involved larger start-up costs for each department and the loss of revenues from the Memorial Coliseum. He said MERC was understandably concerned about increased costs, but said Metro could not support two separate policies on the same issues. He said Metro's cost allocation program was carefully calculated on the use by, and benefit to, each department. He said MERC should communicate directly with the Executive Officer and the Council if they questioned whether they were fully receiving the benefits they were paying for. He said Resolution No. 94-20 itself was not particularly controversial, but that it would establish a separate, different MERC policy for evaluating support services and costs and said MERC was part of Metro and should follow Metro policy.

Councilor McFarland said the Council should not send the resolution back because MERC had tried to be responsive to Metro's concerns. She said, however, that MERC should recognize Metro was the final authority on what support costs were appropriate or not. She said MERC was trying to ensure that the \$600,000 received per year for three years from the hotel/motel tax would be used to support the Portland Center for the Performing Arts (PCPA) and not pay support costs.

The Council discussed the issues further. Councilor Gardner asked if numbers from the FY 1994-95 Approved Budget were available to help clarify the issues. Mr. Carlson said those numbers were not yet available.

Presiding Officer Wyers asked MERC representatives to speak.

Pat LaCrosse, MERC General Manager, said per the Approved Budget their costs would likely be higher. He said traditionally MERC costs were slightly lower than what was usually listed in the Adopted Budgets.

Sam Brooks, Chair, MERC Commission, asked the Council to let Resolution 94-20 stand. He said MERC staff had worked very hard to accommodate Metro's and MERC's needs. He said if the Council did send it back, MERC would work on the issues to achieve understanding with Metro.

Mr. LaCrosse said MERC understood, respected and used the allocation system, but said without a revenue stream from two of its facilities, it would be difficult to pay those support costs. He said MERC was possibly using too much of the support services.

The Council and Mr. LaCrosse discussed the issues further. Councilor McLain asked General Counsel Dan Cooper if Resolution No. 94-20 created or conflicted with current Metro policy. Mr. Cooper said the two policies did not represent a legal conflict, but were two different policies. He said the issues represented a

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policy decision for the Council to make. Councilor McLain said she wanted to ensure the policies were not in conflict with each other. Mr. Cooper said legal authority lay with the Council which adopted the budget for the agency as a whole.

Councilor Gardner asked Mr. LaCrosse if the resolution itself had been necessary. Mr. LaCrosse said MERC used resolutions as its management tools. He said they also helped to avoid future misunderstandings.

Councilor Hansen asked if facilities should be treated the same or differently based on their profitability.

The Council and MERC representatives discussed the issues further. Mitzi Scott, MERC Commissioner, said the resolution was meant to communicate MERC's needs to Metro. Councilor Moore and Mr. LaCrosse discussed how the \$600,000 would be used.

Councilor Kvistad said with regard to the \$600,000, Metro should not start developing policy on a grant by grant basis. He said support costs were standard business costs and said Metro departments should not determine on their own what was a reasonable cost and what was not. He said departments should communicate difficulties and/or inability to pay to the Council, but said it should ultimately be the Council's decision as to what was reasonable.

Councilor Gardner said Resolution No. 94-1955 only reiterated Council policy and did not reference the MERC resolution. He said it stated the Council would attempt to cap support services costs in all departments and also stated Metro's intent to do a performance audit of Metro's cost allocation plan and its effectiveness.

Motion: Councilor Monroe moved, seconded by Councilor Buchanan, to return Resolution No. 94-20 to MERC.

Councilor Monroe said he understood MERC's concerns and the intent behind the resolution.

Councilor Devlin stated for the record he had always questioned Metro's cost allocation plan and/or how it was defined by department. He said when he started at Metro in 1989 there were no professional personnel functions. He said to make that and other systems, including accounting, investment and risk management functions good, it had involved start-up costs. He said when Metro took over MERC, functions had to be sorted out to see if they should become centralized or stay with MERC. He said if the Stadium closed, MERC's internal support services costs would probably increase unless MERC made cutbacks. He said he understood MERC's position, but said if the resolution was referred back, the issues could probably be resolved amicably on both sides.

Councilor Monroe said if the Council let the resolution stand, it would imply that its content was acceptable. He said the Council would work with MERC on the issues in the future.

The Council discussed the issues further. In response to questions by Councilors, Mr. Cooper explained the resolution would be invalid once the Council voted to return it to MERC.

In response to Councilor Devlin, who asked what the Council's next course of action would be, Councilor Monroe said he would meet with Councilor Hansen, Regional Facilities Committee chair, and with MERC representatives to clarify and resolve the issues. He said if the Council adopted Resolution No. 94-1955 as its next course of action, he said that would clearly state the Council's policy on support services also.

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Councilor Van Bergen said he had thought the Council's position on support service costs were clear. He said even if MERC did not use various services every day, it had to pay for the benefit of being able to access them. He said support service costs as they were now were fair to all units of Metro's organization. He said the time to raise concerns was during the budget process, or to request budget adjustments during the fiscal year. He asked why Administration was not present to deal with the issues at this meeting.

The Council discussed the issues further.

Vote: Councilors Buchanan, Devlin, Gardner, Hansen, Kvistad, McLain, Monroe, Moore, Van Bergen and Washington voted aye. Councilors McFarland and Wyers voted nay. Councilor Gates was absent. The vote was 10/2 in favor and the motion to send MERC Resolution No. 94-20 was sent back to MERC.

Mr. Brooks said he appreciated the Council's comments at this meeting. He said MERC would not bring the resolution back, but would try to communicate with the Council on the issues in a different manner.

4.2 Resolution No. 94-1955, For the Purpose of Reiterating Council Policy Regarding Support Services Cost Allocations

Motion: Councilor Monroe moved, seconded by Councilor McLain, for adoption of Resolution No. 94-1955.

Councilor Monroe gave the Finance Committee's report and recommendations.

Vote: Councilors Buchanan, Gardner, Hansen, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen, Washington and Wyers voted aye. Councilors Devlin and Gates were absent. The vote was 11/0 in favor and Resolution No. 94-1955.

9. RESOLUTIONS (Continued)

9.2 Resolution No. 94-1952, For the Purpose of Authorizing an Intergovernmental Agreement with Clackamas County to Provide Litter Collection Services

Motion: Councilor McLain moved, seconded by Councilor Buchanan, for adoption of Resolution No. 94-1952.

Councilor McLain gave the Solid Waste Committee's report and recommendations.

Councilor Van Bergen said such contracts as sponsored by Metro had expanded, and approved the work involved, but said he did not think the contracts were properly monitored by Metro.

The Council briefly discussed the issues.

Vote: Councilors Buchanan, Gardner, Hansen, Kvistad, McFarland, McLain, Monroe, Moore, Van Bergen and Wyers voted aye. Councilors Devlin, Gates and Washington were absent. The vote was 10/0 in favor and Resolution No. 94-1952 was adopted.

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10. COUNCILOR COMMUNICATIONS AND COMMITTEE REPORTS

The Council discussed whether or not to cancel and/or reschedule the May 26 Council meeting because several Councilors planned to be out of town. The Council decided not to cancel or reschedule the May 26 Council meeting.

Casey Short, Senior Council Analyst, reported on the Greenspaces Blue Ribbon Committee's activities to-date.

Councilor Kvistad encouraged any interested parties to go to the Planning Department and view the Calthorpe design images.

Presiding Officer Wyers distributed her memo dated May 12, 1994, which announced that Metro would receive a national award stating that the Metro region was one of "America's Most Livable Communities" from Partners for Livable Communities.

All business having been attended to, Presiding Officer Wyers adjourned the regular meeting at 7:05 p.m.

Respectfully submitted,



Paulette Allen
Clerk of the Council
MCMIN94.132