

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

Regular Meeting
June 11, 1987

Councilors Present: Mike Bonner, Tanya Collier, Larry Cooper,
Tom DeJardin, Jim Gardner, Gary Hansen,
Sharron Kelley, David Knowles, Mike
Ragsdale, George Van Bergen and Richard
Waker

Councilors Absent: Corky Kirkpatrick

Also Present: Rena Cusma, Executive Officer

Staff Present: Dick Engstrom, Chuck Stoudt, Tor Lyshaug,
Dennis Mulvihill, Vickie Rocker, Richard
McConaghy, Ray Phelps, Yvonne Sherlock,
Gene Leo, Becky Crockett, Ray Barker,
Jennifer Sims, Judith Mandt, Jesse Carr,
Janet Schaeffer, Neil McParlane, Tuck
Wilson, McKay Rich, Don Cox, Donald
Carlson, Jon Allred, Debbie Allmeyer, Randi
Wexler, Gerald Uba, Dave Luneke and Bob
Applegate

Presiding Officer Waker called the meeting to order at 5:40 p.m.

1. INTRODUCTIONS

None.

2. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

3. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

4. COUNCILOR COMMUNICATIONS

4.1 Consideration of Resolution No. 87-769, for the Purpose of
Expressing Appreciation to Eleanore S. Baxendale for Services
Rendered to the Metropolitan Service District

Presiding Officer Waker noted that Eleanore Baxendale, Metro's
former General Council, had recently resigned from her position and

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to honor her achievements, he wished to introduce the above-named resolution. He then read the resolution.

Motion: Presiding Officer Waker moved, seconded by Councilor Collier, to adopt Resolution No. 87-769.

Councilor DeJardin recalled when it was first announced Ms. Baxendale had been appointed as Metro's General Counsel, her colleagues and peers spoke very highly of her work. He said she had continued to live up to that excellent standard while employed by Metro.

Vote: A vote on the motion resulted in all Councilors Present Voting aye. Councilor Kirkpatrick was absent. The motion carried unanimously.

The Presiding Officer and Councilors wished Ms. Baxendale well in the future and Ms. Baxendale thanked the Councilors and employees for all their good wishes and kind thoughts.

5. EXECUTIVE OFFICER COMMUNICATIONS

Convention Center. Executive Officer Cusma announced that the General Council of the Assembly of God Church had booked the first convention to be held at the Oregon Convention Center in August of 1991.

Functional Planning. Metro recently sponsored a successful information session with local government representatives to discuss its functional planning process.

Presiding Officer Waker reported there was a concurrence among those attending the meeting regarding Metro's functional planning process. He reported that the Joint Policy Alternative Committee on Transportation (JPACT) structure might serve as a model for a proposed local government officials' committee on functional planning. The proposal for a committee would be presented to local government officials for their review and comment. He added that the current Council Solid Waste Committee could be incorporated into the new committee.

General Counsel Position Recruitment. The Executive Officer explained the selection committee had decided to reopen the recruitment process in order to receive more applications for the position. Until an attorney was hired, Yvonne Sherlock, the Grants/Contracts Specialist, would serve as legal advisor on routine, in-house matters, and Richard Botteri of Weiss DesCamp Botteri and Huber had been contracted to advise on other legal matters. Contracts continued to be in force with outside legal advisors for major convention center and solid waste projects, she explained.

5.1 Presentation by the Friends of the Washington Park Zoo

Friends' President Richard Steinfeld presented a \$38,000 check to Executive Officer Cusma, Presiding Officer Waker and Zoo Director Gene Leo. He explained the check represented Metro's share of membership fees paid by Friends' members and due to an extraordinary increase in memberships this year (from 2,100 to 8,100), the check for the current year had been especially large. He said the Friends had established a long-term membership goal of 30,000.

Mr. Leo thanked Mr. Steinfeld for the Friends continued support of the Zoo, their commitment to help fund a future panda exhibit and the successful Grand WaZoo -- an annual fund-raising event. The Presiding and Executive Officers also thanked the Friends for their support.

5.2 Consideration of Resolution No. 87-774, for the Purpose of Confirming the Appointment of Richard Owings to the Position of Director of Solid Waste

Executive Officer Cusma introduced Mr. Owings and briefly reviewed his background and the process by which he was selected. Councilor Hansen said he had served on the selection committee, and had accompanied Deputy Executive Officer Dick Engstrom to Seattle to interview people who worked with Mr. Owings. The Councilor highly recommended Mr. Owings for the position and was confident he would serve Metro well.

Motion: Councilor Hansen moved, seconded by Councilor DeJardin, to adopt Resolution No. 87-774.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent. The motion carried unanimously.

6. CONSIDERATION OF MINUTES

Motion: Councilor Kelley moved, seconded by Councilor Ragsdale, to approve the minutes of May 4 and 14, 1987.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent. The motion carried unanimously.

7. ORDINANCES

7.1 Consideration of Ordinance No. 87-223, for the Purpose of Amending Metro Code Section 2.04 Relating to Contract Procedures

The Clerk read the Ordinance a second time by title only. Presiding Officer Waker announced the first reading and public hearing had been held on May 28, 1987.

Yvonne Sherlock, Grants/Contracts Specialist, briefly reviewed staff's report. The Presiding Officer noted a memo from the Council Administrator had been included in the agenda packet which discussed an amendment proposed by Councilor Van Bergen.

Main Motion: The motion to adopt Ordinance No. 87-223 was made by Councilors DeJardin and Kirkpatrick on May 28, 1987.

Motion to Amend: Councilor Van Bergen, seconded by Councilor DeJardin, to amend the Ordinance as follows (proposed new language is underlined):

Add the following sentence at the end of Section 2.04.050(b): "The Executive Officer shall inform the Council of all contracts declared to be an emergency at the Council meeting immediately following the adoption of findings declaring an emergency."

Add the following sentence at the end of Section 2.04.041(b)(5): "The Executive Officer shall inform the Council of all contracts declared to be an emergency at the Council meeting immediately following the adoption of findings declaring an emergency."

Councilor Van Bergen said the Executive Officer agreed with the proposed amendment and that prompt notification of emergency contracts was good procedure.

Vote on Motion to Amend: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent. The motion carried unanimously.

Vote on Main Motion, as Amended: A roll call vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent. The motion carried unanimously.

Ordinance No. 87-223 was adopted as amended.

8. RESOLUTIONS

8.1 Consideration of Resolution No. 87-767, for the Purpose of Authorizing the Issuance of General Obligation Bonds in the Amount of \$65 Million for the Financing of Acquisition and Construction of a Regional Convention and Trade Show Facility

Tuck Wilson, Convention Center Project Director, reviewed the history of the project and the relationship of proposed state financing to the action being requested of the Council. He also reviewed the sequence of events regarding the actual sale of the bonds. He requested the Council call a special meeting for July 9, 1987, for the purpose of approving the bond sale. He also noted an revised version of the Resolution had distributed for Council consideration at this meeting. He then introduced Rebecca Marshall of Government Finance Associates and Dick Roberts of Lindsay Hart Neil & Weigler who were available to answer questions regarding the sale of general obligation bonds.

Councilor Ragsdale noted the revised resolution did not contain language regarding award of bond sale and delivery. Mr. Wilson explained that by removing that language, the Council, rather than the Executive Officer, would approve the bond sale. Presiding Officer Waker said the Council Convention Center Committee had requested that change be made due to the significance of the event.

Motion: Councilor Ragsdale moved, seconded by Councilor Cooper, to adopt the revised version of Resolution No. 87-767.

Councilor Ragsdale explained that the bonds could not be sold if the State Legislature did not approve \$15 million financing for the project or if the proposed Local Improvement District was not approved by the Portland City Council.

Councilor Cooper asked if interest would be accrued on funds between July 1 and July 9. Rebecca Marshall explained funds would not be received until July 9 but it was common to list the first of the month on official documents.

Councilor Van Bergen asked Ms. Marshall and Mr. Roberts to give their professional recommendations regarding whether the Council should authorize sale of general obligation bonds for the Convention Center Project. Ms. Marshall recommended the Council authorize the sale. Mr. Roberts said the election approving the bond sale had been validly conducted, the revised resolution now before the Council was correct in format and he recommended the Council authorize the sale in the sense that that action was legal and binding.

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Councilor Ragsdale reported that many people had been involved in convention center financing but Kim Duncan, Metro's legislative representative, deserved special credit for her significant efforts.

Presiding Officer Waker announced that pending approval of the resolution, the Council would conduct a special meeting at 11:30 a.m., July 9, 1987, for the purpose of approving bond sales. A lunch would follow the meeting.

Vote: A vote on the motion to adopt the resolution resulted in all eleven Councilor present voting aye. Councilor Kirkpatrick was absent.

The motion carried unanimously and Resolution No. 87-767 was adopted.

8.2 Consideration of Resolution No. 87-766, Amending the Pay and Classification Plans (Lead Accounting Clerk)

Randy Boose, Personnel Officer, reviewed information contained in staff's written report. Don Cox, Accounting Manager, was also available to answer questions of the Council.

Councilor Van Bergen asked if Accounting Division staffing was adequate to handle the increased demands of the Convention Center project. Mr. Cox said additional staff was planned and authorizing a new Lead Clerk position would free up time for the new project the existing Senior Accountants had been devoting to supervising other clerks. Mr. Cox also noted that staff would be working with outside consulting firms would serve as trustees for Metro's investments related to bond sale revenue.

Councilor Van Bergen noted that according to current policy, the proposed trustee arrangement should be reviewed by the Council Management Committee. Mr. Cox explained that consultant Rebecca Marshall was assisting staff in preparing an amendment to the current policy for Management Committee review in August. The Management Committee could then forward their recommendation to the Council.

Motion: Councilor Van Bergen moved, seconded by Councilor Gardner, to adopt Resolution No. 87-766.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent.

The motion carried unanimously and Resolution No. 87-766 was adopted.

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In response to Councilor DeJardin's request, Mr. Cox said he would report changes in the Accounting Division to the Council as they related to the Convention Center project.

8.3 Consideration of Resolution No. 87-768, for the Purpose of Revising the FY 1986-87 Budget and Appropriations Schedule

Jennifer Sims, Manager Services Director, highlighted key changes in the FY 1986-87 Budget including increased election costs, and increased personnel costs at the Zoo due to high attendance. She requested that \$15,000 be deleted from the Data Processing budget for computer equipment, explaining the purchase could not be made until FY 1987-88.

In response to Councilor Van Bergen's question, Ms. Sims said that page 2 of the Appropriations Schedule would explain the status of the Solid Waste Operating Contingency Fund.

Motion: Councilor DeJardin moved, seconded by Councilor Knowles, to adopt Resolution No. 87-768 as revised (\$15,000 deleted from the Data Processing budget for computer equipment).

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent.

The motion carried and Resolution No. 87-768 was unanimously adopted.

Presiding Officer Waker called a recess at 7:05 p.m. The Council reconvened at 7:25 p.m.

9. OTHER BUSINESS

9.1 Consideration of an Amendment to the Contract with Gershman, Brickner and Bratton, Inc. (GBB), Solid Waste Recovery Project Consulting Engineers

Debbie Allmeyer, staff coordinator for the Resource Recovery Project, introduced Bob Zier of GBB. She explained it was necessary to extend the contract one year, increase the sum by \$140,000, and amend the Scope of Work due to changing project priorities and increase workloads. Staff's written report detailed the need for amendments.

Ray Barker, Council Assistant, referred to his memo to the Council from himself, dated June 11, 1987, which questioned staff's documentation for the contract increase. He suggested the Council request staff provide more information to justify the contract increase and

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to delay approving the contract amendment until the June 30 decision was made regarding whether to proceed with negotiating a Memorandum of Understanding with a vendor or vendors.

Executive Officer Cusma referred the Council to her memo to the Council dated June 11 in response to Ray Barker's memo.

Motion: Councilor Hansen moved the amendment to the contract with Gershman, Brickner and Bratton, Inc. be approved. Councilor Kelley seconded the motion.

Discussion followed about the amendment. Councilor Gardner pointed out that the Council's changing priorities had resulted in the need to amend the Scope of Work. He thought if the Council delayed amending the contract, a negative message could be sent to project vendors.

Councilor Knowles said he was uncomfortable being in the position of adjudicating different staff opinions. He asked that Council and Executive staff questions be resolved before meetings to avoid discussion of positions at the Council meeting level.

Vote: A vote on the motion resulted in:

Ayes: Councilors Collier, Cooper, DeJardin, Gardner, Hansen, Kelley, Knowles, Ragsdale, Van Bergen and Waker

Nay: Councilor Bonner

Absent: Councilor Kirkpatrick

The motion carried and the contract amendment was approved.

10. OTHER BUSINESS

10.1 Consideration of the Final Evaluation Report Regarding Solid Waste Resource Recovery Projects

Debbie Allmeyer, Project Coordinator, introduced the Resource Recovery Project Team as follows: Jon Allred from Metro, principal project assistant; Bob Zier of Gershman, Brickner & Bratton, Inc. (GBB), principal technical and management consultant; Dean Gisvold of McEwen Gisvold Rankin & Stewart, legal counsel; Paul Atanasio of Soloman Brothers, senior managing investment banker; Rebecca Marshall of Government Finance Associates, financial advisor; and Ed Einowski of Stoel Rives Boley Jones & Gray, bond counsel.

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Ms. Allmeyer explained the project team would brief the Council on the results of the Final Evaluation Report and discuss the process leading up to a Council deciding regarding whether to begin preliminary negotiations with a firm or firms for the best resource recovery system.

Ms. Allmeyer then discussed the proposed schedule for making a decision: The Executive's Review Committee would meet on June 16 to compose their recommendations. By that date, staff's analysis would include the system cost analysis. On June 25, staff would present the amended Final Evaluation Report for further discussion. That report would include the Executive Officer's recommendations for the best resource recovery system. The recommendation would also take into consideration staff and Review Committee's evaluation and recommendations.

Ms. Allmeyer explained the draft Final Evaluation Report document now before the Council was a "snapshot in time." New information and work was on-going. Comments would be received from proposers and would be available to the Council by June 25. She then briefly reviewed the main areas covered in the Report: economic impact, technical feasibility and responsiveness to the State-mandated heirarchy of solid waste management. Staffs' handout summary addressed how vendors' proposals were weighted for the above categories.

Finally, Ms. Allmeyer pointed out that the Fluor/SEI proposal was originally evaluated on the assumption that a direct parent company guarantee was being offered. It had since been re-evaluated on the basis of an indirect parent company guarantee.

Members of the project team discussed the Final Evaluation Report in greater detail. Bob Zier reviewed the economic impact category including cost analysis, assumptions used, examples of how variables affected the tip fee, and highlights of special conditions. Dean Gisvold discussed various risk positions of the proposals. Paul Atanasio and Rebecca Marshall presented information about financing plans for each proposal. Randi Wexler, staff analyst, reviewed descriptions of proposed facility sites. Dave Luneke, staff engineer, presented staff's analysis of how the proposals addressed the state-mandated heirarchy. Jon Allred reviewed compost marketing proposals. Bob Applegate, Metro staff, discussed the public information program for the project.

Through out the presentations, Councilors had the opportunity to question staff and consultants about the Report and various aspects of the project. At the end of the presentation, Presiding Officer Waker asked the Council to review their concerns and make specific requests of staff.

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Councilor Hansen asked if system cost savings would result if the Council selected the Reidel proposal and yard debris was not separated but rather, collected via the traditional collection manner and composted at the facility. Ms. Allmeyer said staff would respond to the question in writing.

Councilor Knowles said the Council needed to address whether it was satisfied with the weightings given to various evaluation criteria assigned by staff and with the factors within those criteria. Presiding Officer Waker thought no additional information was needed from staff but that the Council would certainly address that matter further.

Councilor Van Bergen said he was very impressed with staff's work and that the criteria they had used to evaluate proposals were the same criteria approved by the Council. He questioned, however, whether the Council had thought through how possible flow control measures, if required, would effect each proposed project and commercial and residential users of the waste disposal system.

Councilor Ragsdale asked staff to quantify, where possible, how lower risk would result in higher system costs.

There being no further business, the meeting adjourned at 10:10 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

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