

MINUTES OF THE METRO/TRI-MET MERGER SUBCOMMITTEE  
OF THE COUNCIL INTERGOVERNMENTAL RELATIONS COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

November 13, 1990

Council Chamber

Subcommittee Members Present: Jim Gardner (Chair), Richard Devlin, Ruth McFarland, Executive Officer Rena Cusma, and Tri-Met Board of Directors President Loren Wyss

Subcommittee Members Absent: None

Others Present: Councilors Roger Buchanan, David Knowles and George Van Bergen

Chair Gardner called the sixth Subcommittee meeting to order at 5:10 p.m.

1. Discussion of JPACT Report on Metro/Tri-Met Merger

Portland City Commissioner Earl Blumenauer, JPACT subcommittee chair, presented the Joint Policy Advisory Committee on Transportation's (JPACT) subcommittee report titled Tri-Met/Metropolitan Service District Merger dated November 8, 1990. Commissioner Blumenauer noted both JPACT's and the draft report by Cogan Sharpe Cogan (CSC), Analysis of Issues Related to Possible Merger of Metro and Tri-Met, shared common elements. He said they both stated there was no problem, or immediate problem, that would be solved by Metro's acquisition of Tri-Met at this time. He said both reports stated there was conflict over funding issues and that both reports stated it was not possible to determine the cost of financing the proposed merger until full costs were completely identified. He said Metro, Tri-Met, and the public should engage in intensive dialogue on funding issues into the next century. Commissioner Blumenauer said the short time table precluded in-depth analysis. He said concern had been expressed that the proposed merger would affect Metro's capacity as a neutral forum as a metropolitan planning organization (MPO). He noted the joint meeting between the Metro and Portland City Councils November 8 to adopt mutually beneficial legislation related to the St. Johns Landfill and said the joint legislation was an example of correct governmental cooperation.

Commissioner Blumenauer noted three elected transportation systems in the United States could be analyzed.

Commissioner Blumenauer noted the passage of Measure No. 5 would present challenges to local governments over the next year. He said he was not interested in moving into the legislative arena during the 1991 session for some sort of extended controversy surrounding the proposed merger. He said he would resist any efforts to change statutory language in Salem and would lobby anyone who wanted to weaken, strengthen or change existing language. He said the regional goal should be to obtain light

rail transit (LRT) funding and achieve stability for all local government and to allow Metro to get a running start for what its next phase would be related to local government. He said that goal was not stated in the JPACT report, but hoped there could be agreement between all the governmental entities involved that the merger issue would be off-limits during the 1991 legislative session and the involved governmental entities could use the next couple of years to address the merger issues properly.

Councilor McFarland noted Commissioner Blumenauer referred to Canadian LRT systems. Councilor McFarland noted the state legislature looked at Canadian systems and that assisted their decision to chose LRT for MAX. Commissioner Blumenauer said it would not hurt to look at other systems and that he had looked at Canadian and European systems also. He said the three elected transit boards included Bay Area Rapid Transit (BART), a very different system from MAX; the transit system in Denver, Colorado; and Alameda County's system in Oakland, California. He said the political dynamics of those boards could be assessed.

Chair Gardner said one reason the merger was proposed was because elected government would be more responsive to the public than appointed government. Commissioner Blumenauer noted education board members were appointed and said citizen volunteers contributed a high caliber of service. He said it was difficult to get qualified candidates to run for available offices. He said the current political climate would not be assisted by the addition of more elected officials.

Commissioner Blumenauer said Westside LRT and transportation funding were crucial issues as well as general funding of local governments. He said of dozens of such boards in the country, only three transportation boards in the United States had opted to be elected, and that two of those boards had not had encouraging results because of those changes. Chair Gardner agreed with Commissioner Blumenauer's comments, but did not think they were directly related to the issues before the Subcommittee. He said Metro was not proposing a new elected board or special purpose agency or district or function and said what was under discussion was the intent to consolidate existing government.

Councilor Knowles referred to his November 5, 1990, letter to Commissioner Blumenauer. Councilor Knowles said the JPACT subcommittee could have analyzed the issues more thoroughly and noted that the subcommittee had disagreed on the issues. He said there had not been enough time for full analysis and there was not enough data to justify JPACT subcommittee findings. Councilor Knowles said JPACT should have made it clear they did not have sufficient time or funds for a thorough study of the issues. Commissioner Blumenauer did not think Cogan Sharpe Cogan's report differed very much from the report submitted by the JPACT subcommittee. Commissioner Blumenauer stated for the record his request

that the Metro Council give JPACT sufficient time to address merger issues correctly.

Mr. Wyss agreed with Commissioner Blumenauer and Councilor Knowles' comments on JPACT's report and agreed with the sentiments expressed in Councilor Knowles' letter. He said Tri-Met was not encouraging the merger but would not try to change existing statutory language. The Committee and Commissioner Blumenauer discussed the issues briefly.

2. Discussion of Consultant's Report, "Metro/Tri-Met Proposed Merger: Analysis of Issues

Sumner Sharpe, Cogan Sharpe Cogan, presented CSC's report Analysis of Issues Related to Possible Merger of Metro and Tri-Met dated November 12, 1990. He thought the merger would happen eventually because of issues related to the Public Employees Retirement System (PERS) and said annual costs related to PERS would be \$3 to \$6 million. Councilor McFarland asked what current PERS costs were. Mr. Sharpe said the \$3 to \$6 million figure was the estimated differential. Councilor Gardner asked if lesser costs had been discussed.

Mr. Sharpe detailed issues that should be addressed before Metro and Tri-Met should contemplate merging. He said a more detailed personnel study was needed to identify what effect the proposed merger would have on staffing and potential cost savings resulting from the merger; a determination of whether to refinance Tri-Met bonds and timing of same; development of local government agreement on Metro's MPO role after the merger; the merger's effect and its timing on UMTA's full funding commitment for Westside LRT; review of Metro's governance structure and contracting procedures in relation to carrying out transit responsibilities; resolution of boundary issues; identification of time and costs required to absorb Tri-Met's control systems; initiation of discussions about long-range financing for the regional transit system; and a strategic plan to identify the relationship between the merger itself and other Metro issues such as development of Metro's home rule charter and Metro's role in regional growth management, and the necessary resources to undertake multiple new tasks concurrently. Mr. Sharpe said development of its charter gave Metro the chance to plan 5 and 10 year goals.

The Subcommittee and consultants discussed potential PERS costs related to the merger. Mr. Wyss noted it was the Tri-Met union's choice to emphasize current rather than retirement income. Executive Officer Cusma asked Dan Cooper, General Counsel to clarify PERS issues with regard to statutory requirements. Mr. Cooper said he would submit his opinion in writing for Executive Officer Cusma, the Council, and the Subcommittee.

The Subcommittee and consultants discussed union bargaining issues and statutory language with regard to PERS and when Metro would be fully vested in PERS as well as requirements to absorb Tri-Met employees into PERS if the proposed merger took place.

Mr. Wyss asked Mr. Sharpe if the study addressed service impacts related to governance changes. Mr. Sharpe said specific examples were not available, but said the Metro Council had not worked well on regional perspectives. He said it was more concerned about parochial pressures and said elected officials were more subject to pressure than appointed officials. The Subcommittee and consultants briefly discussed the issues as detailed further in CSC's report.

3. Review Schedule of Subcommittee's Hearings

Casey Short, Council Analyst, distributed a tentative schedule for public hearings. He explained four public hearings should be held, one each in Washington and Clackamas Counties, one in East Multnomah County, and one at Metro Center. He said because of the still-current deadline, it seemed imperative that the public hearing process should be undertaken as quickly as possible. The Subcommittee determined the best four dates for public hearings with times and places to be determined by staff after this meeting were December 20, 26, 27 and December 5, 1990.

Chair Gardner adjourned the meeting at 6:50 p.m.

Respectfully submitted,



Paulette Allen  
Committee Clerk  
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