

MINUTES OF THE METRO REGIONAL FACILITIES COMMITTEE

February 3, 1993

Council Chamber

Committee Members Present: Ruth McFarland (Chair), Susan McLain (Vice Chair), Jim Gardner, Sandi Hansen, and Ed Washington

Committee Members Absent: none

Other Councilors Present: Richard Devlin, Mike Gates, Jon Kvistad, Judy Wyers

Chair McFarland called the regular meeting to order at 4:00 p.m.

1. Status Report on Funding Task Force

Pam Erickson, Project Manager, presented the staff report. She reported the task force was examining regional funding issues. She said a concept ordinance was being developed. She discussed the issues related to coordinating the arts programs in the region. She noted arts programs are primarily private non-profit organizations. She said these organizations would need to be organized. She explained cooperation was low in the past but changes were occurring. She said the Portland Arts Alliance changed their name to the Arts Alliance to include areas outside of Portland. She said the Metropolitan Arts Commission was another agency providing support to the arts. She noted the Northwest Business Committee for the Arts evolved out of the Arts Plan 2000+ study. She stated each of these organizations assists arts programs in the region.

Ms. Erickson said the regional arts team recommended creating a regional arts council. She said the regional arts council transition team was developing the organizational structure for the regional arts council. She said the Regional Facilities Committee would review the development of the regional arts council. Chair McFarland noted consensus by the committee and scheduled the item for further discussion at the next meeting of the Committee.

3. Review of Department Five-Year Financial Plans

- Zoo
- MERC
- Regional Facilities

Jennifer Sims, Finance and Management Information Director, distributed and discussed the five-year financial plan process, a copy of which is included in the record of this meeting. She discussed the process as outlined in the handout.

Sherry Sheng, Metro Washington Park Zoo Director, presented the zoo five-year financial plan, included in the record of this meeting.

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She noted the portion typed in bold print highlighted the major proposed changes. She noted the two million dollar commitment to the light rail project was assumed in the plan as coming from the operating fund. She noted other alternatives would continue to be developed.

Councilor Hansen expressed an interest in review of the Zoo Master Plan. Ms. Sheng invited the Committee to come to the Zoo to better visualize the proposed Zoo Master Plan. Councilor Hansen asked that the five-year plan be discussed during the Zoo Master Plan review.

Councilor McLain requested more information about the figures included in the Zoo Master Plan development. She spoke to the concerns that may develop during the budget deliberations. Ms. Sheng noted the program aspect of the Zoo Master Plan would be accomplished through utilization of current staff. She said the capital aspect would be discussed in general through the Zoo Master Plan and specifically during budget deliberations through request for design development and review.

Councilor Kvistad asked about the construction schedule on the light rail development. Ms. Sheng noted Tri-Met was working cooperatively with the Zoo. She stated the work would be completed during June to August of 1994. She noted a twenty percent reduction in parking spaces would occur after the development of the station. She said the Zoo was exploring ways to maximize attendance during and after construction.

Councilor Gardner asked if Tri-Met would improve service to the Zoo during construction. He noted the schedule to the Zoo was minimal at this time. Ms. Sheng said discussions were occurring related to this issue. She noted the Oregon Department of Transportation (ODOT) was going to perform improvements to the on/off ramps on Highway 26. She said negotiations included discussion of alternatives to the disruption in traffic patterns.

Jeff Blosser, MERC Acting General Manager, presented the five-year financial plan. He noted the revenue, expenses, and capital improvements were driven by attendance. He said attendance figures were estimated. He discussed the difficulty in estimating these figures. He said figures were included for potential vacation and sick leave payouts on staff to be transferred to the Portland Trailblazers.

Councilor McLain questioned the rental structure. Mr. Blosser noted the Stadium included approximately five percent in increased rents. He noted the rent reductions at the PCPA continued in the next fiscal year.

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Mr. Blosser noted occupancy was good at the facilities. He noted the Northwest did not suffer from the effects of the recession to the extent other areas did. He noted projections considered the hotel and motel tax leveling or tapering off. Councilor Gates asked if the End of the Oregon Trail (EOT) project would attract more visitors to the area. Mr. Blosser said the plan did not consider the EOT project. Chair McFarland noted she expected the visitors to the region to remain the same or increase.

Mr. Blosser summarized that no future funding was considered. He said the Commission had accepted the Arts Plan 2000. He noted they felt funding was needed to implement the plan. He said if funding was not received that rate increases, staff reduction, service reduction, improved operations, grant requests, and other options might need to be examined.

Councilor Gardner noted the votes of the budget included two dissenting votes and one abstention vote. He asked why the no votes. Mr. Blosser noted concerns existed about the process and the PCPA portion of the budget.

Casey Short, Council Analyst, asked about potential construction of a headquarters hotel. Mr. Blosser noted it would help the budget. He said funding, support, or subsidy still needed to be identified. He said the project might be considered for phasing in. He noted the project might not be completed if a phase in approach was used for construction. He stated the region did not support the rates required to construct the hotel.

Councilor Hansen asked if a football team had considered coming to the area. Mr. Blosser stated the Canadian Football League (CFL) was considering coming to Portland. He said the contracts needed to identify other franchises in cooperatively scheduling events. Councilor Hansen asked how the Sports Authority would deal with other sports franchises. Mr. Blosser stated the authority might attempt to bring other types of sports to the region outside of the franchise professional sports. Councilor Hansen asked about the interaction with the authority. Mr. Blosser noted the MERC had a member on the authority.

Councilor Gardner asked if the expansions occurring at the Convention Center would assist in the construction of a hotel. Mr. Blosser noted the hotel felt the Convention Center did not incur enough business to build, while the Convention Center felt it could not attract interest without a hotel.

Councilor Hansen requested further discussions of the relationship between Metro, MERC, and the Sports Authority.

Councilor McLain asked that the Spectator Facility Fund be closely watched. She requested regular updates.

Neil Saling, Regional Facilities Director, distributed and summarized the five-year financial plan, a copy of which is included in the record of this meeting.

Chair McFarland noted she had to attend another meeting. She turned the meeting over to Vice Chair McLain.

2. Discussion of Wolf Report on PCPA

Pam Baker, PCPA Advisory Committee Chair, presented the Wolf report (An Organizational Assessment of the Portland Center for the Performing Arts), a copy of which is included in the record of this meeting. She noted the report was developed in part out of a request by the Council during the last budget session. She stated Mr. Wolf preceded the report with a discussion on a discrepancy between the mission statement and the budget directives of MERC and the PCPA.

Ms. Baker noted the advisory committee would develop an action plan to carry out the objectives identified in the Wolf report.

Robert Freedman, PCPA General Manager, was present to answer questions.

Councilor Gates noted his District supported the PCPA. He asked if the name of the organization would be changed. Both Mr. Freeman and Ms. Baker noted the name had been discussed. Mr. Freeman noted the City of Portland held the bond that built the center. He noted in other cities benefactors donated large amounts of money and ultimately the centers were named after the benefactor. They discussed the name in terms of image and marketing factors.

Vice Chair McLain discussed the relationships with the PCPA Advisory Committee, the City of Portland, MERC, and Metro. She discussed marketing efforts. Ms. Baker noted the intent of the advisory group was to address these issues. She noted the problems in pursuing the public service mission under the current budget-driven mission. She noted the group considered forming a "friends" organization.

Councilor Hansen stated her concerns about utilizing "friends" groups. She noted the ownership issue was frequently confused. She said if a "friends" group were formed, they needed to be focused on their mission. She said the group should advocate for the public being served by the facility. Ms. Baker noted the intent was to involve them in the outreach or marketing aspect of the operation.

Councilor Gardner expressed concerns about the support of the arts being low in the region. He noted the lack of support existed in the areas of both government funding and private funding. He noted as long as Portland owned the facility, the name would probably remain the same. Councilor Gardner and Ms. Baker discussed the intent in the use of the word "metropolitan". The intent was to describe the region and not the City of Portland. Councilor Gardner spoke to the relationship of the Memorial Coliseum and the Trailblazers. He stated regardless of operating authority, the net revenues would have continued to decline.

6. Update on End of the Oregon Trail and Metro Regional Center Day Care

Sherry Oeser, Senior Management Analyst, presented the staff report. She provided historical information on the project. She said the project was currently on hold due to short term financing problems. She said the preview center was proposed to open in May.

Vice Chair McLain noted the project was going to have long term problems if they continue to delay meetings addressing the funding problems.

Councilor Gates noted many people were coming and Clackamas County needed to address the problems in schedule.

Councilor McLain noted Clackamas County wanted Metro's support. She expressed concerns about involvement and communications. She favored Metro's active participation in the program development. She spoke to the connection between short term and long term problem solving. She said the position of Department of Environmental Quality (DEQ), the EOT Foundation, Clackamas County, and Metro needed to be identified.

Councilor Hansen expressed her apprehension about the continual delays. Councilor Gates noted DEQ was holding up the project at this time.

4. Status Report on Implementation of 1991-92 Performance Audit on MERC Business Practices

Mr. Blosser distributed and discussed a memorandum dated February 1, 1993, a copy of which is included in the record of this meeting.

Related to finding number four, Councilor Gardner asked if the event settlement process was addressed. Mr. Blosser noted the Oregon Convention Center utilizes event settlement of the ConcentRIC System. He said Metro's accounting program did not

interface with the ConcentRIC System. He said the purchase of the accounting portion of the software was being examined.

Councilor Hansen noted the MERC Management Pool Fund had the highest budget related to FTE. She questioned why the staff had not been reduced. Mr. Blosser noted the need demanded the current staff. He said the event settlement process was difficult and frequently demanded late night settlement. He noted the process was being evaluated. He said with the elimination of the Coliseum, the need might reduce. Councilor Hansen noted that the need for MERC might be eliminated in the future.

Mr. Short noted the auditor found it difficult to find documentation for policy and procedure implementation. Mr. Blosser expressed an interest in performing an internal audit. Mr. Short noted when former Councilor Knowles approached the MERC with the audit concept they were not receptive. Councilor Hansen noted the Zoo and Solid Waste experienced similar problems with the audit. She said those departments have successfully improved their procedures.

5. Status Report on Metro Regional Center Project

Mr. Saling distributed and discussed report number twenty-three, a copy of which is included in the record of this meeting.

The Committee discussed the lease on the 2000 SW First facility. Councilor Gardner asked what the penalties would be in canceling the lease. Mr. Saling said he would investigate Councilor Gardner's query.

Mr. Saling discussed the change orders. He stated figures were being developed for other remodel projects. Councilor Wyers noted she spoke with Gordon Oliver of The Oregonian. She stated to Mr. Oliver that the building was comparable to other state buildings and it would be functional and not extravagant. Councilor Gardner confirmed selections made for specific items and related costs were not determined by the Council. He said false economies should not be made; that is, durability should be considered. Mr. Saling said a summary of specific items might be identified. Mr. Saling noted value and quality were considered.

Councilor Wyers noted that although specific decisions were not made by the Council, the Council would still be responsible to the public.

Mr. Saling noted the early saving over debt service were seven million dollars and now were estimated at eighteen million dollars. Councilor Hansen noted there was an assumption that the current building was not being paid for. She expressed an interest in

making those figures available for use by Councilors. Mr. Saling said he would provide those figures in writing.

Mr. Short asked if Mr. Saling was comfortable with the contingency balance. Mr. Saling noted the contingency was reserve for Furniture Fixtures and Equipment. He noted the bond proceeds had to be spent by December 20, 1993. He said the contingency should be intact upon completion and decisions would have to be made by Finance and Management Information (FMI) department about what to do with the contingency fund.

Mr. Short asked about the completion to the improvements to the garage. Mr. Saling stated the improvements to the garage will be added to the Hoffman contract. He noted the improvements would not be made until after occupancy. He said the actual figures might be lower than the estimated figure of \$420,132. He confirmed elevator improvements were included in the figure. He said he would provide the information on the improvements to the Committee members.

Vice Chair McLain noted a letter including citizen comments made by Scott Forrester was distributed, a copy of which is included in the record of this meeting.

6. Status Report on the End of the Oregon Trail Project and the Metro Regional Center Daycare Facility

Vice Chair McLain reported to the Committee on the status of the End of the Oregon Trail (EOT) project. She reported several meetings were scheduled and held over a year. She indicated representation included Clackamas County, the EOT Foundation, and Metro. She reviewed problems with the project. She noted the Foundation questioned whether they wanted Metro as a partner in the project. She noted the DEQ had not prepared closure requirements for the Rossman Landfill. She said the Foundation and Metro's numbers for project completion differed by some twenty to thirty-one million dollars. She favored the Council providing direction to staff as to the position of the Council. She questioned if Metro would want to continue to be a willing partner considering the position of the other parties.

Councilor Gardner did not want to proceed with a "blank check". He noted the budget was being prepared and needed to consider those decisions.

Councilor Kvistad questioned the building of a multi-million dollar facility on a dump. He addressed the question of liability. He questioned funding the program while other programs did not have funding.

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Vice Chair McLain noted the issue of liability was not resolved. Mr. Short noted DEQ needed to provide a closure plan for the landfill. He stated the cost could not be determined until that report was provided.

Chair McFarland and Vice Chair McLain noted neither had been notified of the meeting cancellation.

Councilor Kvistad questioned if the relationships would continue at the current level.

Vice Chair McLain reported on the day care facility. She said she served on the selection committee with Dick Engstrom, Deputy Executive Officer; Berit Stevenson, Project Manager, and two outside people. She reported interviews were conducted with three providers and two site evaluations were conducted. She discussed the questions used in the interview process.

Councilor Gardner clarified that Metro was absorbing rent and utility costs for the day care center.

Vice Chair McLain discussed the fee schedule and other determining factors in the selection. She noted the providers had a strong commitment to scholarships and would not turn away parents for inability to pay.

Councilor Gardner expressed concern about competition in the area. Vice Chair McLain stated the facility would not be competition for the area. She noted there was a lack of day care facilities available.

Vice Chair McLain adjourned the meeting at 7:20 p.m.

Respectfully Submitted,



Susan Lee
Committee Recorder

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