


M E M O R A N D U M

DATE: November 7, 1991

TO: Executive Officer Rena Cusma, Presiding Officer
Tanya Collier, Dick Engstrom, Don Carlson

FROM: Betsy Bergstein 

REGARDING: Tri-Met/Metro Merger

The attached pages contain a recount of the history, an assessment of the current situation, and a proposal to move forward with the Tri-Met/Metro merger study which will cover all the areas of the work plan established by the Council in Resolution No. 90-1361.

This proposal stages the work, so that the consultant work comes at the end, after the Charter Committee has its "concept" established and after Tri-Met has received its full-funding agreement. It begins immediately, however, with work that can be done by staff at Metro. It strives not to set off a conflict, either with Tri-Met or the Charter Committee, by precipitously asking for proposals from consultants to do some of the pieces of work which will require outside expertise.

Please give me your comments. The key points, for your consideration, are in the last three sections, history-1991, assessment and proposal.

Tri-Met/Metro Merger Study
Summary of Current Situation

History - 1990

- o The Metro Council adopted Resolution No. 90-1293A on July 12, 1990, "Supporting the Merger of Tri-Met with the Metropolitan Service District and Establishing a Process to Pursue the Merger."
- o The Council established a five member Metro Merger Subcommittee composed of three members of the Metro Intergovernmental Relations Committee, the Metro Executive Officer and the Chairman of the Tri-Met Board of Directors.
- o On September 13, 1990, the Council adopted Resolution No. 90-1322 "Approving a Contract for the Provision of Metro/Tri-Met Merger Services to the Council and its Designated Committees", which authorized a contract with Cogan Sharpe Cogan.
- o Cogan Sharpe Cogan submitted its report to the subcommittee on November 27, 1990.
- o On November 13, 1990 the Joint Policy Advisory Committee on Transportation (JPACT) submitted a report on the transit service and transportation planning implications of a merger. It included among its conclusions that consideration of a Tri-Met merger should be delayed until the Fall of 1991 after the completion of negotiations for the Westside Light Rail full funding agreement.
- o On December 13, 1990, the Metro Council adopted Resolution No 90-1361 which recognized the work done to date on this issue, stated that the region's top priority transportation project is the construction of Westside Light Rail which requires a commitment of funds from the 1991 Oregon Legislature and execution of a full funding agreement between Tri-Met and the Urban Mass Transit Administration, that the process to examine the issues associated with merger should include provisions for involving JPACT, local governments, citizens' groups and the general public and adopted a detailed work plan to pursue the merger questions after execution of the full funding agreement, presumably by September 30, 1991.

History - 1991

- o During the 1991 Oregon State legislative session, legislation was passed that established the Metro Charter Committee to draft a home-rule charter and put it on the ballot for a vote of the people. The Committee began meeting in May of 1991.

Legislation was passed for the State's share of funding for the Westside Light Rail project.

- o A new general manager for Tri-Met was appointed by the Tri-Met Board and assumed the position in July of 1991.
- o Tom Walsh expressed his position on the merger to his assistant Caryl Waters who relayed it to me as follows: He supports a change in the Tri-Met Board appointment from the Governor to the Metro Council but he does not want the "merger" to go any further than that, ever. Caryl Waters had a conversation with Patricia McCraig who confirmed that the Governor has no interest in holding on to her appointment authority vis-a-vis the Tri-Met Board, but McCraig expressed the thought that maybe the Governor should have one or two appointments since there is "state involvement" through ODOT.
- o Tom Walsh has approached two of his Board members, Bill Roberston and Loren Wyss (Chairman). Mr. Robertson is amenable to the idea, Mr. Wyss is adamantly opposed.
- o Mr. Walsh had a conversation with Metro's Executive Officer where he indicated that the Charter Committee would probably address this issue. He also indicated that he is probably the best person to guide Tri-Met through its major construction project on Westside Light Rail and he does not want to/will not do that as part of (a department) another government.
- o Betsy Bergstein had a conversation with the Charter Committee Chair, Hardy Myers and two members, Charlie Hales, Isaac Regenstreif. They have all said the Committee will address this issue. When asked directly how the Committee would respond if Metro initiated this study now, they all indicated that it would probably set off some "side dynamics."
- o The federal government has not executed the full funding agreement as expected by September 30, 1991. The Surface Transportation Act will probably come out of Congress sometime in early 1992.

Tri-Met does have a "letter of intent" which is a strong statement of federal intent to fund the line to Hillsboro at the 75% level. It also has a "letter of no prejudice" which allows them to start spending money on engineering, with the assumption that the feds will refund at the 75% level.

Assessment

It appears that there is serious opposition at Tri-Met from the General Manager and the Board President to a significant merger between the two agencies. The former is opposed to any change in appointing authority of the Board, and the latter is willing to make that change, but absolutely none other.

It also appears that there are members of the Charter Committee who will want to settle the issue through the new Metro Charter. My guess is that they will want to change the Board appointment authority and may want to set up a "transportation commission" as the oversight body, but I am really guessing at this stage.

If there is sentiment on the Council to proceed with this study, I believe we can go forward by using the Charter process to our advantage. Part of the work scope, outlined by the Council's Resolution No. 90-1361 can be done in-house by Metro staff, part of the work can potentially get done through the Charter process and part of the work will have to be done by consultants. The consultant work should be the last and could occur after the Charter Committee has finished its "initial" work, which would be early March 1992, if they stay on schedule.

By this time, full-funding would be complete and the Charter Committee "concept" should be finished. We will have finished the in-house work and we would be prepared to move forward to ask for proposals on the discrete pieces of work outlined.

I believe this is a logical and responsible way to move forward. We would not endanger full-funding or the Charter Committee's work by performing the tasks outlined below and we would not spend funds on consultants before knowing what the Committee is going to propose. This is a phased approach that is consistent with the Council's desire and stated work program.

Proposed Work Program on Tri-Met/Metro Merger

Remainder of 1991:

Jan-June 1992

METRO

Development of a strategic plan to identify relationship between this and other Metro agenda items and resources required. (May go in to part of 1992.)

*Case studies of regional transit authorities which are run by a regional government:

- San Francisco, Ca.
- San Diego, Ca.
- Minneapolis-St. Paul
- Jackson, Mississippi

to assess strengths and weaknesses of models and to answer the question, "What are the public benefits of a Metro/Tri-Met consolidation?"

Identify positive/negative effects of transfer on transit service and planning.

- Impact on westside and Clackamas Co. light rail

CHARTER

Local government concurrence on structure of region's MPO

Boundary issues and question of legislative changes

Review of Metro's governance structure and contracting procedures re transit responsibilities

Local government participation in review and analysis of issues.

Upon completion,
public hearings to
solicit public
comment, preceding
consideration by the
Metro Council

CONSULTANTS

Detailed Personnel
Study

Study re refinance
of Tri-Met bonds,
timing, financial
effects

S t u d y r e
alternatives of long
range financing for
transit

A n a l y s i s o f
alternatives for
reconfiguring
transit system to
serve suburban areas

Identification of
time and costs to
absorb Tri-Met's
control systems and
to what level.

*Additional to the stated work program in Resolution No. 90-1361