

Metro

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Metro

Minutes

Tuesday, March 7, 2017

2:00 PM

AGENDA REVISED 03/03/17

Metro Regional Center, Council Chamber

Council work session

2:00 Call to Order and Roll Call

Councilors Present: Council President Tom Hughes and Councilors Bob Stacey, Carlotta Collette, Sam Chase, Craig Dirksen, Shirley Craddick, and Kathryn Harrington

Councilors Excused: None

Council President Tom Hughes called the Metro Council work session to order at 2:03 p.m.

2:05 Chief Operating Officer Communication

Ms. Martha Bennett, Metro Chief Operating Officer, made three announcements:

- There would be no Council meeting on Thursday, March 9.
- There would be two conflicting events on March 14, including a Columbia Gorge Commission lunch and a Topos Partnership presentation.
- Ms. Karol Collymore had joined Metro as Venues Communications and Policy Development Program Manager.

Ms. Bennett introduced Ms. Becca Uherbelau, Senior Community Relations Manager. Ms. Uherbelau provided an overview of the Regional Partnership Forum which would take place at the Oregon Zoo Education Center on March 22.

Work Session Topics:**2:10 Second Quarter Financial Report (unaudited)**

Mr. Tim Collier, Director of Finance and Regulatory Services (FRS), provided the second quarterly financial report. He explained that the report informed the agency of how it was projected to start the 17-18 fiscal year, and could help guide creation of the budget. Mr. Collier stated that revenues were positive, solid waste tonnage and the transient lodging tax continued to increase, and that construction excise tax (CET)

collections had surpassed 900,000 dollars for the third consecutive quarter. Mr. Collier informed the Council that Portland's Centers for the Arts and the Oregon Convention Center (OCC) were experiencing positive revenues. Expenditures were tracking with the budget. Mr. Collier stated that the Oregon Zoo was projected to have a shortfall, and FRS was working with zoo staff on how to plan for the 17-18 fiscal year. He also noted that FRS was to review and make alterations to the format of the capital improvement plan (CIP) included in Metro's quarterly reports. Mr. Collier asked the Council to forward any suggestions that they had regarding format changes to him or to Ms. Martha Bennett.

Council Discussion:

Councilor Chase highlighted that there was limited capacity at the Oregon Zoo and wanted to know how the agency would approach a long term deficit challenge. Mr. Collier responded that the zoo staff was aware of the challenges and constraints and that while there were no answers at present, zoo staff were currently working to address the problem.

2:30 Oregon Zoo Bond Program Budget Allocation

Ms. Heidi Rahn, Zoo Bond Program Director, and Mr. Jim Mitchell, Construction Manager, spoke about allocation of the remaining Oregon Zoo bond funds and completion of Zoo bond projects.

Ms. Rahn explained that eight projects had each received budget allocations in 2011. Five of the projects had been completed and three remained. She explained that there had been significant cost escalation since 2011, with the remaining projects facing cost escalations of 27 percent. Fortunately, there were 12.5 million dollars in unallocated reserves from bond sale premiums, interest earnings, reallocated dollars and savings from previous projects, and the Oregon Zoo Foundation, which could help address the

escalated costs. She explained that the Zoo Bond Steering Group along with the Citizens' Oversight Committee and its Budget Subcommittee had developed the budget allocation recommendations. Ms. Rahn briefly outlined the three guiding principles of the budget allocation process: to follow through on ballot measure commitments, to address conservation, animal welfare, and financial priorities, and to be transparent with the public. She noted that the Council had expressed interest in the incorporation of diversity as a guiding principle, and that Mr. Mitchell would discuss diversity as it related to the remaining projects. She reminded the Council of the Zoo bond ballot measure and provided an overview of what it set out to achieve: update and replace old exhibits and facilities, increase access to conservation education, and replace utility systems to reduce water and energy use and lower operating costs.

Mr. Jim Mitchell explained changes around the region responsible for cost escalations, which included shortage of skilled labor and price of construction materials.

Ms. Rahn outlined the proposed budget amendments and recommended allocation of currently unallocated funds: one million dollars for Polar Passage project cost escalation; 1.3 million dollars for the construction of expanded saltwater pools in Polar Passage; 2.6 million dollars for primate habitat updates and concurrent rhino habitat construction; 1.5 million dollars for sustainable infrastructure upgrades to update water and electricity systems; 3.3 million dollars for program administration through the year 2020; and a one million dollar contingency fund for bond project close out. 1.8 million dollars would remain unallocated.

Mr. Mitchell discussed construction and possible cost savings. He outlined the combination of design and construction of the remaining three projects to increase efficiency and improve constructability. Combining construction and design would save 1.3 million dollars, and

those savings would offset investment in the Polar Passage saltwater system. Mr. Mitchell informed the Council that competitive bidding of contractors was required and would remain. He highlighted construction company Lease Crutcher Lewis's promotion of workforce diversity. He informed the Council that there was 28 percent COBID participation at the Oregon Zoo Education Center, and went on to discuss the Lease Crutcher Lewis COBID Program.

Ms. Rahn briefly summarized the options before the Council for their consideration, which included the recommended shift of unallocated bond resources to ensure successful completion of remaining projects, reduction of project scopes and related costs, and the combination of polar bear, primate, and rhino project design and construction contracts.

Council Discussion:

Councilors expressed appreciation for the work. Councilor Stacey asked why there was an approximately 80 percent increase in the budget for program administration. Ms. Rahn explained that the significant cost escalation was the result of two factors: changes to Metro's program administration methodology, and the expected completion of the bond program approximately one year later than originally anticipated. Councilor Chase expressed concern about adding continuing costs in the form of a saltwater system at the Oregon Zoo. Ms. Rahn noted that the zoo examines its costs holistically, and that when the costs of some projects increase, other costs decrease to offset them and eliminate impact to Zoo revenues. Councilor Harrington asked about the seemingly conservative program close out fund of one million dollars. She expressed her hope that the zoo was confident in their assessment that one million dollars would cover all unanticipated costs. Ms. Rahn and Mr. Mitchell noted that, in addition to the one million dollars for close out of the bond program, contingency costs were factored into all project budgets and ranged from ten to twelve

percent. Councilor Harrington also inquired about where the primates would be relocated while the current primate exhibit was demolished. Councilor Collette had questions about the construction route to the middle of the Zoo to complete the remaining projects and the competitive bidding process. Councilor Craddick asked what had been removed from the original Polar Passage project design in response to cost escalations. Ms. Rahn informed her that the largest changes were to the overall square footage of the new habitat and the visitor viewing areas. Councilor Craddick asked how the environment would remain cool enough for the polar bears. Mr. Mitchell explained that the water system would be cooled, rocks could be cooled, and shade would be provided. Councilor Craddick inquired about how updates of the master plan would be funded. Ms. Rahn explained that the remaining 1.8 million dollars of unallocated funds could be utilized to update the master plan. Councilor Dirksen expressed appreciation for the inclusion of expanded saltwater pools in the polar bear habitat. He asked if it would be possible to convert a freshwater pool to saltwater at a later date. Mr. Mitchell explained that retrofits were expensive and would not help to reduce costs. Councilor Dirksen appreciated the improved viewing experience for visitors that Polar Passage would provide and stated that he would not want to lose that viewing experience from the updated project plan. Council President Hughes and councilors supported moving forward with the plan outlined by staff.

3:00 Councilor Communication

Council President Hughes provided a legislative update to the Council. Discussed were House Bill 2095, House Bill 2094, and Senate Bill 186. Mr. Andy Shaw, Regional Affairs Manager, discussed the following: House Bill 3231, regarding a highway project; Senate Bill 333, regarding industrial lands; a brownfields bill; household hazardous waste legislation; transportation workgroup discussions; a proposed increase in payroll taxes to fund transit operations; Metro policy

team advocacy for 150 million dollars of the lottery budget to be reserved for the Southwest Corridor project; and a 50/30/20 distribution of maintenance funds. Councilor Harrington thanked the Council for passing Resolution No. 17-4777, For the Purpose of Reaffirming Metro’s Support for Stability, Opportunity, Safety and Justice for All People Living in Our Shared Region, at the March 2 Council meeting. She noted that the resolution had elicited a positive response from members of her jurisdiction.

3:30 Adjourn

Seeing no further business, Council President Tom Hughes adjourned the Metro Council work session at 3:22 p.m.

Respectfully submitted,



Taylor Unterberg, Council Policy Assistant

EXECUTIVE SESSION ORS 190.600(2)(E), TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO NEGOTIATE REAL PROPERTY TRANSACTIONS.

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MARCH 07, 2017

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1.0	Memo	03/07/17	Regional Partnership Forum Format and RSVP	030717cw-01
3.0	PowerPoint	03/07/17	Oregon Zoo Bond Program Budget Allocation	030717cw-02
4.0	Handout	03/07/17	Washington County Transportation Futures Study	030717cw-03