

# Metro

## 2020-21 Public Hearing Minutes

Thursday, June 4, 2020

12:30 pm

Metro Council Chambers  
600 NE Grand Avenue  
Portland, Oregon  
Via Zoom Meeting

**Present:**

**TSCC:**

Chair David Barringer, Vice Chair James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Harmony Quiroz, Executive Director Craig Gibbons and Budget Analyst Tunie Betschart.

**Absent:**

**Metro:**

Metro Council Members: President Lynn Peterson, Deputy President Juan Carlos Gonzalez, Councilors: Shirley Craddick, Christine Lewis, and Sam Chase. Commissioners Dirksen and Stacey were excused.

Metro staff: Chief Operating Officer Marissa Madrigal, Finance & Regulatory Service Director Brian Kennedy; Zoo Finance Director Sarah Keane, MERC Finance Manager Rachael Lembo, General Manager of Visitor Venues Scott Cruickshank, Waste Prevention and Environmental Services Finance Manager Cinnamon Williams and Jaye Cromwell

Chair David Barringer opened the public hearing to consider Metro's 2020-21 Approved Budget and asked the Commissioners and staff to introduce themselves. He then asked if any of the Commissioners have business relationships with the district that could be perceived as a conflict of interest. There were none. He commended the district for stepping up to meet the current public health crisis. He acknowledged that it is difficult forecasting the budget for next year in the current environment of constant change. He encouraged them to continue to monitor the budget as the year unfolds. Then he asked the district to introduce the Metro council and staff, make brief introductory remarks about the budget and then the commissioners would ask a few questions. Following the questions testimony from the public would be taken.

After the process description and introductions, Chair Barringer turned the floor over to Metro President Lynn Peterson.

President Peterson thanked commissioners for their public service. She gave an overview of the district's budget and described how the agency had been affected by the pandemic She described the impacts on the visitor venues. She recognized their financial team for the fantastic job they have done developing the budget during this time of turmoil

Deputy Council President Gonzalez also thanked staff for the job they have done and decisions they have made setting up Metro to be in strong fiscal health and strong service health. He talked about their five key service areas of focus, giving a description of each. The visitor venues and the activities associated with them and the effort that will be necessary to reopen; the Waste Prevention and Environmental Services department and changes happening in the recycling system; Planning and Development departments working to maintain livability and economic justice in the region; Parks and Nature department working hard to implement the voter approved \$475 million Parks bond and creating an accelerated fund to respond to the economic situation that many of their partners are facing; and the housing team working to build \$657 million in affordable housing in the region. He spoke briefly about the planning being done on the transportation measure for the November ballot. He mentioned the protests happening across the entire country demanding racial and economic justice. He talked about how important it is to the core of the work Metro does to invest in the most vulnerable and identify the deepest disparities that guide Metro's work. The value of addressing these inequities can be seen across the region.

### **TSCC Questions:**

#### **Chair Barringer asked the following questions:**

In the current year ending June 30, is the district expecting any year-end budgetary problems arising from revenue shortfalls or unanticipated expenditures due to the COVID-19 situation? What impact will this have on the district's ending fund balances that are not yet reflected in the upcoming budget?

#### **Mr. Kennedy answered:**

My name is Brian Kennedy. I'm the Chief Financial Officer for Metro. So the short answer is yes. We have experienced already and will experience further budgetary problems relating to the COVID-19 pandemic. The governor's order, banning mass gatherings had an immediate and devastating impact on the revenues at our visitor venues, as I'm sure you can imagine. But it's also important to note that those revenue impacts have flowed through to Metro's General Fund as well. In response to that, we've taken a series of steps across the agency. So the first and most dramatic was laying off nearly 40% of our workforce, primarily at the visitor venues; but we've also delayed and canceled capital projects and had reductions in materials and services spending across the agency. So even with those actions, we anticipated significant reductions in ending fund balances, particularly in the visitor venues relative to what was included in the fiscal 2021 proposed budget.

We've updated the approved budget with new estimates that are based on our best economic and financial forecast at the time. Again, the most significant impacts are in the visitor venues. We've taken steps to try to protect the fund balance of the General Fund to both give us some flexibility in dealing with future uncertainty, but also help respond to the impacts and the venues. In order to do that, the COO implemented a series of budget reductions in the fourth quarter, and those primarily included, not filling vacant positions and cutting back on materials and services spending. So those cuts along with other cost savings measures we implemented soon enabled the General Fund to start the next fiscal year with a fund balance close to what was planned in the proposed budget. We think that will make us more resilient in the next fiscal year.

#### **Commissioner Quiroz asked these questions:**

For the upcoming FY 2020-21 budget year, should the economy remain stalled, where are the district's greatest vulnerabilities? How will the district monitor and respond timely if revenue collections go off track or if unanticipated service requirements continue?

**Mr. Kennedy answered:**

Our biggest vulnerability is in the visitor venues. As we mentioned in the response to the previous question, shortfalls in the venues do flow through to the General Fund. That happens in a couple of ways. One is through reduced or eliminated management fees that the venues pay into the General Fund, as well as cost allocation plan payments for support of internal services, which are accounted for in our General Fund. We also are tracking changes in other revenue sources, in solid waste and parks, for example. In order to do that, we've implemented a program of monthly financial forecast for the entire agency to try to monitor that revenue and expenditure activity. We've also been working with the visitor venues to develop a scenario forecasting exercise, to develop response strategies, to a variety of different economic and financial scenarios. We think this is important because there's so much uncertainty right now around both the timing for reopening and a potential resurgence of the virus. And so we are trying to have a plan to be nimble and respond to things as they change.

**Commissioner Ofsink asked these follow-up questions:**

That sounds great. I love the idea of doing kind of a monthly check-ins and make sure you're off course or on course. I imagine that's been going for maybe a month or maybe even less. I just wonder if you have thought about, or if you already have a sense of the need to check-ins to make sure that things don't get off course. But there's also the risk of responding to kind of very short term fluctuations in a way that misses what the trend is going to be. I don't know if you had thought about that at all and how you can be responsive enough, but not just jumping after every minor change. Can we get a sneak preview of one of the two of the items on the checklist or is it too early?

**Mr. Kennedy answered saying:**

When we made the decision to do the first round of layoffs at the venues that was an immediate emergency need to respond to the situation. We took as much time as we had thinking about that. Through that process of monthly forecasts, we are continually tracking where things are and, trying to maintain fund balance across all of our funds so that we have flexibility to really try to get a sense of what the trend is and not immediately react. We think we've been successful at that so far. But again, there's, there's a lot of uncertainty.

**Ms. Madrigal added a few comments saying:**

It's wonderful to see you all again, in a different place. One of the things that we're trying to align is not to start financial forecasts, but the scientific ones. And so we're all very much tracking the science at this pandemic and trying to understand how that advice from CDC is constantly morphing and changing. But we are trying to gather the consensus of what the best sciences to forecast what the operational picture might look like. Then align that with what we're seeing in our revenue. So it's kind a both, and not just looking at the financial side, but reading the landscape of science and trying to figure out what does that mean? If teleworking is going to be a thing for two years, what does that mean for us financially? If the governor's saying cancel everything through September, and then in the next breath says, we won't allow large gatherings until there's a vaccine, that tells us something else. So kind of planning for

multiple scenarios and trying to make the best decisions we can with the information that we have, knowing that it's all uncertain and we will have to tweak our response and adapt quickly.

**Commissioner Norton asked the following questions:**

The first two questions and the two questions that I'm going to ask are questions that we've been asking of all our larger districts. So we're trying to get a sense of across the whole County, from the educational units to the community college units, to the governmental units how things are going. So my first question has to do with debt service. Metro has certainly taken on a lot of debt in the last couple of years, but fortunately it's general obligation debt. And our sense with most of our districts is that property taxes possibly collections could slow down a little, but ultimately they're going to get paid. So the one that we're more concerned about are the ones that are the full faith and credit debts, which you have for some of your improvement projects at Expo and the MERC, and then especially your new debt, the revenue bond with regard to the hotel. So the question is, how vulnerable is your debt service? How are you planning ahead? What's your coverage plan? We know that you have a great bond rating. How are you going to make sure you keep it?

**Mr. Kennedy explained:**

As you mentioned, most of our debt is backed by property taxes that approved by voters. We're not worried about the Full Faith and Credit issues we have, either for the Metro regional center, or the Expo Center. We think we will be able to pay those without any problem. The one that does come up regularly are the 2017 bonds for the Convention Center Hotel.

There are a couple of things there that I think are really important to note. First is that the primary source of repayment for that is transient lodging taxes through the visitor facilities intergovernmental agreement and the Visitor Facilities Trust Account. We are projecting significant reductions in those revenues, but the mechanism that funds the VFTA also creates a system of sizeable reserves. So we believe there's a strong system of reserves there and that there will not be any issues repaying those bonds.

The second source of repayment are excise tax funds, again from transient lodging taxes that flow from the County to Metro for operating support at the Convention Center. So those are a secondary payment source if necessary. In the event that those were needed to pay that debt service, it would have an impact on operating revenues at the Convention Center and would create a funding deficit there. I also think it's important to note that when we sold the Convention Center bonds those bonds were rated by Moody's at the time AA three, which was a better rating than we hoped for. And just in the last couple weeks, Moody's reviewed that rating. If you follow the bond market, you'll notice that all the rating agencies have been downgraded across the board, credits backed by transient lodging taxes or other forms of tourism revenue. We had a long conversation with a ratings analyst for Moody's. What we really emphasized is that the structure and the VFTA, and those strong reserves, makes it a much stronger credit than many of the other tourism revenue backed issues around the country. We were apparently persuasive. Moody's did not downgrade the hotel bonds. They did put them on a negative watch. But the negative watch is solely related to the economic crisis created by the pandemic, not by the VFIGA or the underlying financial structure. We feel really good about that, and we think that's really a testament to the political leadership in the region that just updated that intergovernmental agreement. The leadership of Metro council, Multnomah County and city of Portland have created a really unusual structure that has made that debt and the other debt supported by the VFTA continued to be safe investments.

So before we begin some of our content questions, I want to make sure that we're sort of up to speed and up to date with what's going on. Budget was proposed in mid-April; by early May when you approved the budget sitting as the budget committee, you'd already made substantial changes. It was a sizable drop in revenue. Some of it related to bond sales that won't take place; but a very large drop in local share of revenue which I presume is the transient logging tax; dropping expenses; 16 FTE; the delay in capital projects that you've already referenced. So now in two weeks, you're going to be presumably moving forward to adopt your budget. And so before we start with our content questions, are there changes you are already planning to make that we need to know about and consider.

**Ms. Madrigal responded to this saying:**

In response to the COVID-19 pandemic, we implemented a series of changes to the budget guided by our values and principles. Those principles included continuing to advance racial equity, emphasizing that we would be doing less with less and thinking broadly and creatively about doing our work differently, prioritizing investments that are needed to recover financially and protect the health and safety of our employees and community. Those changes included reductions of five to ten percent across General Fund departments; we delayed some planned capital investments. We implemented a pay freeze for non-represented employees and a few weeks ago we implemented a 20% schedule reduction for most Metro departments and most positions through July 31st. We're participating in Oregon's workshare program that is designed to prevent layoffs. We are using it for that purpose. Trying to accrue some savings to weather the worst case scenarios that we're planning for.

However while those are big changes, many elements did not change. We will still be moving forward with implementing bond programs approved by voters, including 2019 Parks and Nature bond. We're also leaning into our values around racial equity and addressing some of the disparities that we have seen in this pandemic and over the last week in our country. We're launching a new program to build capacity and community based organizations to help advance racial equity across the region with the logic and the rationale that this is a time to lean into that capacity and make sure that those organizations survive this period and also serve as conduits of information to decision makers about what is occurring at the ground level, in our communities and in specific communities of color. Our housing services measure was successful. So there's a new body of work that's included there. We continue to work on developing a transportation measure for the ballot for fiscal year 2020.

So is that a no, you won't be having a bunch of budget amendments in the next two weeks?

Typically, yes, we're planning amendments to capture the savings from the cost-cutting measures that we've implemented. Then, the counselors had some feedback for us on cuts that we had made to a grant program that will be coming back in WPES.

**Mr. Kennedy answered saying:**

We will have a budget amendment to kick-start work on implementing the homelessness services as well.

**Commissioner Wubbold asked these questions:**

We've already talked quite a bit about the visitor venues. They're very important to our community. This is the first of the content questions. We'd like to drill down a little bit further with the budget for the zoo and the MERC program. What visitor venue reopening dates did

Metro use? Would Metro revise that date now given current information? How will you adopt to the assumed continuation of social distancing standards when you reopen? Have you estimated the increased expenditures for this situation?

**Ms. Keane answered the first part of these questions saying:**

I'm a finance director at the Oregon zoo, and I'll take the first part of this question and then pass it off to Rachael Lembo. The Oregon zoo assumed an opening date of July 1, 2020. Given the current information, we believe that data is still accurate. The zoo has an operations team focused on reopening with the continuation of physical distancing standards. Some examples of this include limiting our capacity with timed entry, one way paths, signage, and markings. The operations team will continue to evaluate the effectiveness of the protocols and adapt as necessary to ensure the safety of the animals, the staff and guests. In preparing the budget operational managers did estimate for necessary expenditures associated with being open during the pandemic.

**Ms. Lembo gave this additional information stating:**

I'm the finance manager for the MERC venues. That includes the Oregon Convention Center, Portland Five Centers for the Arts and the Portland Expo Center. So for the MERC venues and the 2020-21 budget, we did not assume a July 1<sup>st</sup> opening as the zoo did. We assumed a slow reopening beginning October 1<sup>st</sup>. We assume that event based revenues, which is the majority of our revenues would be at 50 to 60 percent of what we had originally budgeted in the fall quarter. And then that would slowly increase up to 60 to 75 percent of our original budget for the subsequent quarters. As Brian mentioned, we have also reviewed scenarios with opening dates later in 2021. At this point, we do not have enough information to know or be able to predict an opening date, but all of our venues are preparing reopening plans that prioritize the safety of our guests and staff and the financial sustainability of the venue. We are looking at modifications that may be necessary such as limited capacity and physical distancing and how to balance potential revenues with the costs that will be required to reopen.

We've already talked to TriMet about the issue of bringing people back to their service. That will be an issue for you as well. Can you tell us what your plans are for getting people to return, to live performances and to return to the zoo?

**Ms. Lembo explained saying:**

I can speak to it a little bit for the venues. We have three really different venues. One of our assets, at the Expo Center for example, is that we have a lot of outdoor space and Sarah can speak to this for the zoo also, which is outdoors. So, especially as we're coming up to summer, we're looking at how we can use that space with a lot of parking lot space. We usually do a drive-in program in the summer. So we're looking at how we can safely do that program. How could we modify that to possibly even expand it.

The Convention Center is a large space so we're looking at physical distancing and how we're going to be able to do that. But we really need to think of it from the very beginning. So when somebody comes in and they take an elevator up from the parking lot or they're in the restroom, so we're trying to think through all of those details.

Our most challenging venues are the theaters downtown, where everyone sits next to each other. And we've probably all waited in those lines for the restrooms. Getting in those

restrooms can be tight. But we are part of an international association of venue managers. So we're in contact with convention centers, fairgrounds, performing arts centers across the country and across the world, and everyone is dealing with this. We are sharing a lot of ideas and generating creative ways to do things through that. We don't have answers yet, but I would say that the teams that we have are considering a lot of different options and looking at how we can modify our operations. I think we all feel like we play a big role in the heart and culture of this region. And we know that when we are able to open safely that desire to come back to these spaces is there. And we know that that people want to come. Personally, I really want to go. That really keeps us empowered to figure out how to do this, but it is honestly a process that we are still working on.

**President Peterson added a comment saying:**

We obviously are in close alignment with our partners in this venue space, with sports related events. They're really pushing the ball forward pretty hard. And I know Scott has been keeping tabs with them of what they're up to.

**Mr. Cruickshank said:**

My name is Scott Cruickshank and I'm Metro's General Manager of Visitor Venues. We have received from the State of Oregon, phase one opening guidelines, for venues, which we received last week. Just today, we receive guidelines for phase two opening, which could allow for congregations of up to 250 people. That at least would put us in a position at Expo and the Convention Center to be able to evaluate business that may make sense for us to book, because we can physically distance 250 people in many ways at those larger facilities. We are working on that. We also have seen that our clientele has a strong interest in coming back. We continue to see convention groups, not wanting to cancel their dates. Some have postponed, and we're still getting inquiries for the fall. We know that there will be challenges. The proof will be if people want to fly for conventions internationally and nationally, but, the demand seems to still be there.

**Ms. Keane added the following:**

I can briefly speak to the zoo portion. I think we're really fortunate being an outdoor space that people naturally feel a little bit more comfortable, making that one of their first ventures out after quarantine. We have done several surveys of the community to see what would make you feel more comfortable visiting us after this. How soon would you like to come? Do you want extra hand washing stations or visibly see staff cleaning things? We have a sense of what the community wants from that. I believe pretty soon Drew, (from Channel 8 News) is going to do a segment "Drew at the Zoo", to say "what to know before you go", and what a zoo visit would look like, so that people have a sense of what they can expect. Because it's not going to be the same visit as before; but if people know what to expect, they might be more apt to come.

**Commissioner Norton asked this follow-up question:**

My question is for Scott Cruickshank. Scott. I was actually going to ask about convention bookings. And if you had seen any activity, positive or negative, in that direction, but I actually want to ask a little bit even further into the future. As the COO mentioned, our whole approach to work has been changed radically by this experience. And people now are thinking that this may be a more customary pattern in the future. Is the industry talking about what impact this will have on large, regional or national conventions in the future?

**Mr. Cruikshank answered saying:**

It would seem that bookings the immediate bookings obviously, we're seeing reductions in consumer attendance; we're seeing cancellations and delays as we get into longer term, which I would characterize as 2022, 2023. We're still seeing strong demand as if people are feeling like there'll be a vaccine, or herd immunity or some other reason not to be afraid of this virus. There are different strategies being used or planned meetings going on, people collaborating for things between now and maybe a year and a year and a half that would possibly have some local delegates set a meeting and others attend electronically. Most of our convention business, however, is association business. They do most of their business by meeting with people, sharing their products. It's a little more difficult than a business meeting, so it definitely could be a shift also in our business profile. Rachael may have some comments on that. She's working with the budgets, well out into the future.

**Ms. Lembo stated the following:**

I will just point out that we do have conventions booked through, 2029. We are booked very far in advance and we have some really solid years coming up. Certainly the building of the hotel at the Convention Center helps with a lot of that. I think it's the potential for how conventions recover is similar to the potential for how the economy recovers. We've talked about the V-shape recovery, is it a "W" recovery? They give all the different letters. I think it's going to be similar with conventions. It may be a slow recovery. We may see that the zoo by summer 2021 is back in normal business. At the convention center it may take us two or three years, but I do think that we will get there eventually. Conventions really provide an outlet and a service to individuals working in businesses to enjoy those conventions as the attendees, but they also are a huge piece of the economy. I don't think that they are going away permanently. I just think it, it may take us a little bit longer to get back to that.

**Commissioner Ofsink asked the following questions:**

Last year when we spoke with you and maybe even longer, Metro and the City of Portland, we're talking about an intergovernmental agreement about operating the Portland Five Center for the Performing Arts. We wondered given all the changes is that was still in play? What changes are envisioned and what is the anticipated timeline for it?

**Mr. Cruikshank answered saying:**

The IGA you're referring to is what we call the Consolidation Agreement originally agreed to in 1989 and modify in 1992 and a couple of times in 2000 and as Metro gained and gave back facilities such as the Coliseum, such as the theaters and at one point Providence Park. So the answer around that is we have not started formal discussions with the city, on the new AGA. However there have been discussions around Portland Five operations throughout the years between Metro and the City of Portland. Prior to the pandemic, Metro council identified the need for a revised IGA addressing escalating costs and capital needs at the theaters. The pandemic has created higher pressing priorities right now. Once the emergent needs have passed we will begin discussions regarding the agreements. Metro's goal is to establish financial security for the theaters, including a significant amount of capital investment necessary to maintain the aging buildings. There is not currently an estimated completion date for the IGA. The newest of those three buildings was built in 1986. The Keller is now over 100 years old. There are some long-term physical asset concerns that will need to be addressed in the new agreement.



We are also interested in just how the pandemic has changed your relationship with other districts. We are just trying to get a sense qualitatively since Metro is one of the districts that we work with that has the tightest relationships with other governments. How have you seen that change in these times?

**Ms. Madrigal said:**

There are always differences between jurisdictions and it's hard to align interests sometimes. What I've seen in this crisis is generally a coming together. I've had great conversations with my counterparts at the national level, other counties and the City of Portland. I was just out in Troutdale meeting with the city manager there. There's really the sense we're all being impacted. It's different for Metro. There's a lot of sympathy and empathy and compassion for Metro. Everyone saw the measures that we had to take at the beginning of this pandemic. We have gotten a lot of: We are thinking about you; we're so sorry that you had to do that; we're wishing the best for you. Every call with another jurisdiction has been: Let me know if there's anything I can do for you. That's been really lovely. We all recognize, especially if you've been in government for a few years that this is unprecedented. We have to maintain our relationships and work together, going forward. The County had a shelter for the houseless members of our community in the Oregon Convention Center. We opened up our parking lot at Expo to OHSU for drive-through testing. Our Emergency Management team has helped the region map the health facilities that are available for patients. It has been a true team effort, not easy all the time. We're all learning to exercise our regional muscles, and work together. President Peterson, do you have anything to add?

**President Peterson added the following:**

You did a great job summarizing it. I would just add Metro has a very symbiotic relationship with all of the jurisdictions in this region, whether it's supporting the regional disaster preparedness organization, where we've all come around the table and had definitely done earthquake simulations, but never a pandemic; probably now on the agenda. The cities and counties are very happy to have us as a partner now. That was not the case when it was a newly created Metro government, but because of the way we've integrated and supported their needs for the future or right now I think that they may view us as a positive partner.

**Commissioner Ofsink asked this question:**

In that vein, President Peterson, I always think of when we talked to you at Metro is that you really helped share best practices amongst your constituent districts. I know things are harried right now in short time frames, but has there been a role for Metro in doing that as well?

**President Peterson answered saying:**

Our staff are in constant contact between cities and counties. In a pandemic, we are actually more reliant on them than they are on us. We don't have a health and human services public health officer. So we are relying on them and the state for direction. Best Practices are really about how we come out of this and the road to recovery. That's what we do well; that's what we know: that's what we're focused on with folks like the Greater Portland, Inc.

**Commissioner Wubbold asked the following questions:**

Between the proposed and approved budgets, the solid waste fund revenues and expenditures decreased by \$30 million. What was removed from that budget to accomplish that decrease? The Excise Tax revenue is essentially flat for FY21. If a recession develops next year, how will those revenues be impacted and how will that affect the functions they support?

**Ms. Williams (WPES Finance Manager) responded saying:**

The biggest significant changes that we did eliminate \$20 million of debt financing for our capital improvement plan for the department. That was a significant investment into the region for both the waste system and our own infrastructure. Because of the pandemic and looking at what tonnage might be, the department decided to scale back and reduce that capital improvement plan by about 50%. So therefore we didn't need that capital funding. The remaining capital projects that we have we'll use fund balance reserves for.

The next big chunk is all solid waste fees. The solid waste fees are still being developed. There'll be another tonnage forecast refresh this summer to see how the tonnage is doing through the region. The fees are developed to cover budgeted expenses and any kind of capital infrastructure. When we cut budget revenues, needs dropped. That's really where that big changes is.

As far as the excise tax, we do a tonnage forecast, every year that comes out about November. And that's the one that dropped in November, 2019 specifically, actually had forecasted a reduction in tonnage for 2021 in comparison to what they thought would happen in 2019-20. So when the excise tax increased, it keeps it flat. We specifically did not change that amount from proposed to approved budgets.

We don't know what the recovery is going to look like. We wanted to provide the General Fund flexibility. So if it does have a V-shape recovery, we're not sure if that's what's going to happen; but we give council the ability to have the flexibility if resources returned back to normal, that they can put forth whatever programmatic initiatives they had on the shelf. So that was our idea behind the excise tax and keeping that revenue flat. We had put together some budget cuts to deal with the excise tax, which is the biggest funding source to the General Fund outside of the property tax. We put budget cuts regardless of where that excise tax was going to come in because we just don't know what next year's going to look like.

**Chair Barringer asked this follow-up question:**

Is there any shift in residential and commercial in terms of solid waste? It seems to be moving from commercial to residential in the current situation.

**Ms. Williams said:**

We've got a good baseline. I don't think that we could get lower at this point. The commercial versus residential, we didn't really see that kind of drop in our wet waste that much. It has just fluctuated. Where we would see a decrease in the future is probably in our commercial dry waste if the construction industry really takes a hit. That will be a different beast altogether.

**Mr. Kennedy added this response:**

The main thing to note is there's so much uncertainty. If you had asked us our forecast for

solid waste in the first week of April, we would've given you a really different answer than what we give you today. Things have changed rapidly. So our strategy has been to try to make sure that we have sufficient fund balances in place so that we can be flexible and acknowledge that we're not going to have certainty for awhile. We have impacts both from the short term economic stress, and the pandemic; but if we move into a recession or a deeper recession, obviously there are changes as well. Rather than trying to predict the future and absolutely nail a forecast, we want to make sure that we have the flexibility to manage through whatever the future happens to throw at us.

**Commissioner Quiroz asked the following questions:**

Shifting gears a little to the homeless services measure that passed last month; much has changed since it was originally divined. We're interested in hearing how Metro is getting ready to administer the program. What uncertainties and conversely, what certainties have entered the picture as the measure was developed? We're interested in what the initial funding and activities will be, especially as we head towards an economic recession and probably the needs of our community increasing even more around this area.

**Councilor Chase answered saying:**

Overall the need has only grown significantly. One really important component of this measure, is making sure we establish an intergovernmental agreement with the City of Portland to collect the resources, personal income and business revenue, for this initiative. So that is underway and we expect that to be done by January. This initiative was developed by a very broad and deep coalition of people from our community, from the nonprofit sector that delivers the services to the government entities that are responsible for allocating the resources to the business community and many other community members that were part of this coalition to move this forward.

Metro stepping in to be a fundamental and important partner in this initiative and making the decision as a council to do that helped. We bring the important expertise that we have to the table. We are really partners in this initiative with those other entities to deliver this. That's Metro's wheelhouse, which is to say, let's add in the places where we have expertise and let's rely on those other partners where they have expertise. Now the initiative has passed. It's needed more than ever. We have a one year runway here to put those program elements together and convene our partners to put those program elements together. We expect those resources to start coming in mid-year next year. And so, really relying on our expertise from what we've done on the housing measure; from what we've done on our open space and natural areas; from what we've done around transportation; bringing stakeholders together; identifying what are those critical elements to get worked out; developing those intergovernmental agreements; relying in particular on our three County partners that do have the expertise around delivering the services that are needed through this initiative, working with them through that process. We're in as good a position as we can be to deliver that work. We are moving forward very quickly on setting up our structure; having a dialogue between council and staff and our strategic partners about how to move forward as quickly as possible; bringing the stakeholders together; resolving every issue that we can in advance so that we hit the ground running as quickly as possible. The urgency is only higher and even before the pandemic was at a crisis level and it certainly continues to be at that level. I'm feeling very positive about the overwhelming support from the voters for this initiative, the speed with which our financial team and our program staff are bringing every partner together to act as quickly as possible.

**Commissioner Ofsink asked this follow-up question:**

Metro's model of using the expertise of your constituent districts and then weighing in, where expertise is, sounds definitely like the right one. Could you talk a little bit about just oversight and accountability, especially in these situations where, as you mentioned, it's a little bit outside of your expertise. You're relying on the constituent districts to tell you this is where it should be spent. I'm just wondering what Metro's role is in knowing: is it achieving the outcomes that we want? and are we at the rate that we should be to achieve those outcomes?

**Councilor Chase said:**

One of the fundamental principles was why we said let's be the entity that refers this on the ballot. Let's not have a signature collecting or other effort put forward that doesn't really maximize our oversight expertise. With the bond measure; with the Natural Areas and Open Spaces measure; and with the Housing Service measure. We have really built a solid foundation for providing oversight and bringing the experts to the table that know how to ask the questions; that know how to really pull out the data and information that is going to be telling where we're going to get the best results. Each of the counties has a critical role in delivering those services, but they are going to be accountable to this oversight body and Metro is going to be able to look at these dollars and provide that extra component of oversight. We're developing our system for how we're going to appoint and put that oversight committee together, but that's a fundamental part of the system.

**President Peterson added the following:**

I just want to reiterate what was in the measure and what we heard from those for and against, in terms of moving forward. It was very clear that there was oversight committees at the County level; at the Metro level; and then three different County level audits that are required as well as a third party audit. So there's going to be a lot of oversight on this. I think the question that was raised more, both by proponents and opponents of this measure is what are going to be the performance metrics. Performance metrics were established very generically in terms of attempting to make sure that the priority was to serve the 5,500 people, the point of time count that were homeless on the street, and then be able to get to those who might be sliding into homelessness, which is about ten to fifteen thousand families a year.

Those were the performance metrics set out. What was the beauty of the lack of performance metrics going in is that we went into COVID-19. So if we had tied ourselves too tightly, we would have missed the mark on what we're actually sitting in and what we will be sitting in for quite some time. There's a lot of interest by a lot of folks associated with this measure and around this measure on data collection. That's where Metro is going to be stepping into that space, to be able to help with the best practices research of what other performance metrics we can get. Then help all of those providers have the software set up with one system that we can actually collect data and make it easier for them so that we can track what is the performance of this measure.

**Commissioner Quiroz asked the following question:**

Can you give me an idea of what kind of racial equity lens you're applying to the planning process? Homelessness disproportionately affects members of the community that are people of color. Especially in light of what we're seeing culturally in our community, I'm interested to see how this will kind of play out in the spending of this money.

**President Peterson gave the following explanation:**

What was baked into this measure and is in the attachment to the referral is the HereTogether framework. And in there it leads with racial equity. Now that's going to have to start out with not only our work on the oversight committee of making sure that there is a diversity of voices at that table that can really ask those questions. We're having a stakeholder committee that we're putting together to bring even more thought around, what are we trying to get out of this? That wasn't part of the initial conversations with HereTogether to be able to do just that, to be able to bring more of those voices to the table and create a bigger table. But it's going to be up to the County plans to really implement all of that. So how they lead with racial equity from community engagement at the County, the creation of the County plans and what is actually contained within their policies and programs to be able to be culturally specific, as well as racial equity.

**Councilor Chase added:**

One of the things that Metro has done very well and it has helped us succeed in a number of areas is by embracing and bringing culturally specific communities into our process. Not just individuals that we appoint on the committees that are expected to understand and follow along on the acronyms in the work that we're doing; but to invest in the capacity of those culturally specific organizations in the decision making process that we're doing; so that we're helping them reach out to their entire community and inform their entire community; and bring that perspective back to the table; and inform in an even deeper way, the work that we're doing. And I fully expect that we'll be part of this initiative.

**Commissioner Ofsink asked the following questions:**

I have our last prepared question. Metro staff told us that the Council wanted more and earlier involvement in the budget process. It has turned out to be an unusual year for budget development. How did the process go this year from the Council perspective? Are there changes to the budget process that you're looking at considering for next year?

**Councilor Lewis said:**

When we were living in a different world back in January and February council was able to have work sessions with each of our departmental directors and those presentations keyed in, on tradeoffs and policy decisions. And all of that happened prior to the proposed budget, so that we were able to have council engagement on not only the values, but also the puts and the takes and the tradeoffs in what was being prepared at the staff level. And as we've had to shift, we've had several budget conversations in zoom that are reactionary, not only to the proposed budget, but to changing times, as a council we've been very clear that we want to lead with our values. We look at our staff is our greatest asset, so really getting a handle on how we're able to take care of staff and our staffing decisions has been something we've discussed.

You heard COO Madrigal earlier, say we're willing to commit to doing less with less. That is something that has resonated with us. We recognize that we're not going to continue at 110%, full speed ahead on every single one of our programs, but it's been an exercise in finding priorities, and we've been able to have some director level conversations to understand what programs, what grants at a granular level are being affected. Our budget process last year led to budget amendments and budget notes by each of us individually. There will be a council driven budget amendment, but we're not doing that kind of reactionary, put in and take out

through budget notes and amendments. We have front loaded it not only with the proposed budget, but with reaction to the crisis that we're in. So I think we've definitely had a different budget process, even separate from the fact that we've had to be very responsive and plan for the uncertainty.

**Commissioner Ofsink said:**

Metro has such great professionalized staff that it has often been a staff led process. That's really interesting to hear the council trying to take a more direct role in setting kind of the value and the direction. Thanks.

Chair Barringer thanked Metro President, Councilors and staff for the great discussion of the prepared questions. He asked if anyone would like to give testimony. Jaye Cromwell said no one had signed up ahead of time to give testimony and there were no hands raised to speak. President Peterson requested that we wait 30 seconds to give those in attendance an opportunity to speak. Following instructions on how to raise your hand during this zoom meeting and waiting for any speakers, it was determined that there was no one wishing to give testimony.

Chair Barringer closed the Public Hearing and opened the regular meeting of the Tax Supervising and Conservation Commission. He asked if there were any additional comments

Commissioner Wubbold commended the district for opening the Convention Center and making it available to the houseless community.

Chair Barringer asked the Executive Director Mr. Gibons if he had any comments or recommendations. He said staff has no objections or recommendations included in the Certification Letter. The budget was well put together during a very difficult time. Commissioner Quiroz moved to certify Metro's 2020-21 Approved Budget as presented by staff. Commissioner Ofsink seconded the motion which carried with a unanimous vote.

With there being no other business, the meeting was adjourned.

Minutes reviewed and approved at the Commission's June 15<sup>th</sup> 2020 meeting, with commissioner Norton edits included.



Craig Gibons