Tax Supervising and Conservation Commission

TSCC Regular Business Meeting
Minutes
Tuesday, October 6, 2026
1:30 p.m.

In Attendance: Chair Matt Donahue, Vice Chair Dr. Rita Moore, Commissioners Burton, Kvarsten and Terry were present, as were Executive Director Allegra Willhite and Budget Analyst Brittanie Abayare

Chair Donahue called the meeting to order at 1:30 pm.

Burlington Water District Local Option Levy Review and Hearing Preparation

Executive Director Willhite reviewed the Burlington Water District local option levy measure, noting that the measure had failed by five votes in May and that the district is submitting the measure again for the November general election. The district conducted public outreach over the summer, including mailing informational flyers and hosting a district party to answer voter questions. The levy analysis document was updated with figures rolled forward by one year because the district will receive no local option levy revenue during the current fiscal year. The district audit for fiscal year 2026 has not yet been completed, leaving final property tax receipts and expenditure gaps to be verified at the hearing.

The commission reviewed draft questions prepared for the October 15 public tax hearing, which examine whether any elements differ from the May measure, review the district public communication efforts and feedback received from local voters, assess current fund balances and property tax receipts, and determine plans to address the fire protection funding gap once reserves are exhausted.

The commission discussed whether the district had consulted legal counsel or the Special Districts Association of Oregon (SDAO) regarding governance and operational authorities. Director Willhite noted that TSCC staff can offer guidance or connect district officials with Multnomah County legal counsel, or SDAO, but TSCC must maintain appropriate boundaries regarding district administrative governance.

TSCC Administrative Updates

Executive Director Willhite presented the finalized FY 2026-27 work plan developed during the July commission retreat, highlighting priorities including commissioner recruitment in spring and summer 2027, drafting legislative concepts for the 2029 session, tracking public meetings law developments, modernizing training resources into digital formats, and conducting a research study on regional tax burden comparisons. Executive Director Willhite clarified that the tax burden project will examine the collective tax burden within Multnomah County across multiple jurisdictions rather than solely county government taxes.

Commissioner Burton moved to approve the FY 2026-27 work plan as presented, seconded by Vice Chair Moore. Chair Donahue and Commissioners Terry, Kvarsten and Burton voted in favor. No opposing votes were cast, and the motion passed unanimously.

Following the vote, Commissioner Burton announced that he is completing his fourth year on the commission and plans to step down at the end of December 2027. Executive Director Willhite noted that commissioner terms are four years with the option of one reappointment. Because Chair Donahue will also conclude his service at the end of 2027, TSCC will recruit for two commission vacancies in spring and summer 2027.

Executive Director Willhite reported that the previous fiscal year closed with actuals aligned with expectations. She then presented the current year budget to actuals report. Through August 31, 2026, representing approximately 17% of the fiscal year, TSCC had expended roughly 15 percent of its budget. Expenditures were slightly front-loaded due to the annual licensing cost for the Datacuity database software, which is used for budget reviews and the annual report. The software vendor has maintained flat pricing for multiple years.

Commissioners inquired about the use of artificial intelligence (AI) to streamline data analysis, table generation, and charts. Executive Director Willhite and Budget Analyst Abayare outlined TSCC testing of AI tools. TSCC utilizes Google Gemini on Multnomah County systems in compliance with county information technology policy and if needed explores other models on TSCC hardware. Budget Analyst Abayare noted that AI has provided significant time savings by verifying formulas and balancing cell references in complex debt spreadsheets. Staff also utilize artificial intelligence tools to generate initial draft meeting minutes from video transcripts and to conduct document proofreading. However, staff noted that artificial intelligence remains unreliable for independent writing, nuance, and budget law interpretation due to hallucinations and invented citations. Executive Director Willhite highlighted that some small jurisdictions are facing high volumes of AI generated public inquiries and criticisms that require substantial staff time to address.

Budget Analyst Abayare presented research on implementing HelpJet AI, a free retrieval-augmented generation chatbot for the TSCC website. The tool allows TSCC to upload specific local budget law documents and web resources so visitors can look up guidance. Unresolved inquiries and chat transcripts will be forwarded to staff. Staff plans to test the chatbot around the end of the year and conduct a small public pilot in early 2027.

Executive Director Willhite announced the hiring of a Portland State University graduate student in public planning, as the TSCC intern for FY 26-27. The internship begins in mid-November and will be for a few hours per week, with primary work centered on scoping and executing the tax burden comparison project, alongside data analysis and drafting small district budget reviews.

Local Budget Law Changes for 2029 Legislative Session

Executive Director Willhite reviewed TSCC statutory funding history and structural revenue constraints. TSCC was created in 1921 with a $10,000 expenditure limit, which was adjusted to $20,000 in 1951 and incrementally increased numerous times over the years of high inflation, resulting in a new limit of $280,000 by 1999. In 2011-12, the legislature instituted a 3% annual index, which was raised in 2019 to 4% alongside a base floor reset to $426,000. For FY 2026-27, the TSCC statutory expenditure cap is $561,114. Personnel costs, including COLA, wage step adjustments, and health insurance rate, as well as PERS rates, and other salary related costs, increase by 7 to 10% annually, outpacing the 4% statutory growth cap. While TSCC currently operates below its ceiling, the shrinking expenditure margin creates financial liability if employee

separations require contractually mandated vacation payouts, which could cause expenditures to exceed statutory limits.

Four potential legislative funding strategies were presented for discussion. The first option is to maintain the status quo and forgo legislative action, managing deficits through cost-cutting measures such as reducing on-call staff or eliminating paid internships, which avoids political risks associated with reopening TSCC statutes. The second option is to reset the statutory expenditure floor to $670,000 and raise the annual inflator to 5.5%, which provides a clear formula but may face legislative resistance and does not fully match compounding personnel expenses. The third option is to reset the floor to $670,000, retain the 4% annual cap, and add statutory language creating an exception that allows expenditures to exceed the cap for mandated personnel costs, including employee separation payouts, PERS increases, and commissioner meeting stipends. The fourth option is to reset the expenditure floor to a higher figure, such as $1,000,000. The Commission also discussed an option to seek statutory authorization to retain ending fund balances, which would require modifications to county fiscal administration, although this option is not seen as all that viable due to the changes necessary from the county's current budget practices for TSCC.

Commissioners suggested exploring whether the overall budget cap could be indexed to external economic indicators or wage cost-of-living adjustments. Executive Director Willhite explained that standard cost-of-living adjustments do not capture non-wage benefits like healthcare, and TSCC two-person staff makes external formulas volatile since any personnel changes year over year could potentially see large budget shifts. Chair Donahue noted the validity of the argument that personnel expenses outpace the cap and mentioned that the inability to maintain a fund balance is unusual. Staff will continue refining the proposals for review at the January 2027 meeting and July 2027 retreat before formal legislative submission for the 2029 session.

Staff also discussed potential budget law changes to benefit local governments. They highlighted district feedback regarding the prohibitive expense of mandated newspaper publication for approved budget summaries, which frequently exceed $1,000 for small entities. Staff is exploring statutory updates to allow districts to post notices on a centralized government website, consistent with practices in other states, or how Washington County posts TSCC required information. The Department of Revenue expressed openness to the concept, and staff will coordinate with associations like SDAO, the League of Oregon Cities, and the Association of Oregon Counties for further exploration.

Another concept discussed was to allow TSCC to review proposed budgets rather than approved budgets for large jurisdictions, which could resolve timeline compression and align reviews with local budget committee workflows. Commissioners noted that while councils make adjustments between proposed and approved phases, total dollar changes are generally minor. The commission also noted ongoing suggestions in public comments to TSCC to advance property tax hearing dates.

Public Meetings Law and Legislative Advocacy

Executive Director Willhite provided an update on discussions with SDAO and the League of Oregon Cities regarding legislative work groups considering Oregon public meetings law changes. Representative Nathan Sosa is leading a large work group that includes local

government associations and media organizations to draft legislation for the 2027 session. The group is primarily addressing personal liability provisions and training requirements from the most recent bill, with work concluding in December. Neither association indicated that restrictions on serial communications, which prohibit more than two commissioners from collaborating in shared digital documents, have been addressed at this point, although the workgroup still has multiple meetings available..

Upcoming Events and Meeting Schedule

The commission reviewed the upcoming events calendar and meeting schedule. An upcoming field trip to the Oregon Zoo is scheduled for October 13, 2026, followed by the Burlington Water District Local Option Levy hearing on October 15, 2026. A Lunch and Learn educational session focusing on the State School Fund will take place on November 10, 2026. Executive Director Willhite confirmed the session will be open to the public, publicized in the newsletter, and recorded for publication on the TSCC website.

The commission will coordinate regular business meetings in early December 2026 and early February 2027 via Doodle poll to review budget forecasts, complete the executive director evaluation, and prepare for the spring budget season. A subsequent Lunch and Learn session addressing PERS is planned for March 8, 2027.

Wrap Up and Other Business

Chair Donahue and Vice Chair Moore agreed to continue serving in their leadership roles for 2027, with formal officer election votes scheduled for the first meeting of 2027. Executive Director Willhite will coordinate with Chair Donahue and Vice Chair Moore over the coming months to schedule the annual executive director performance evaluation.

The State of Oregon updated the deadline for commissioner stipend self-attestation forms to April 30 to align with tax filing timelines. Effective October 1, 2026, the commissioner meeting stipend increased to $181 per meeting day.

Chair Donahue provided an update on the Portland Arts Access Fund, formerly known as the Arts Tax. The oversight committee is drafting its annual report for adoption in late October. Collections under the prior system increased, and the City of Portland Office of Arts and Culture is developing definitions for quality arts education while implementing 12 recommendations from a spring audit. The group discussed that a lawsuit was recently filed against the City of Portland challenging city council modifications to the fee structure. The lawsuit is supported by the Metro Chamber. The complaint argues that city council lacked authority to raise the tax beyond the $35 fee established by voters without voter approval. Executive Director Willhite noted that the commission will need to designate a new Arts Access Fund committee representative before Chair Donahue departs at the end of 2027.

There being no other business, the meeting was adjourned at 3:00 p.m.