Tax Supervising and Conservation Commission

TSCC Discussion Meeting
Minutes
Wednesday, June 3, 2026
11:00 AM.

Chair Matt Donahue, Vice Chair 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 11:00 AM.

Lusted Water Budget Review & Certification

The Commission reviewed the approved FY 2026-27 budget for the Lusted Water District, which totals $2.9 million and represents a 27% reduction from the previous fiscal year due to the completion of Phase 2 of the Distribution Improvement Project. A primary focus of the review was the district's transitional shift from the City of Portland to the City of Gresham as its new wholesale water supplier, effective July 1, 2026. To support infrastructure improvements and manage these rising wholesale costs, the district's board will vote on an anticipated 11% to 13% customer water rate increase in July 2026. Although, the district has outstanding uncompleted audits from the prior two fiscal years. The budget was determined to be in substantial compliance with local budget law, and staff noted no deficiencies in the development process.

Commissioner Burton motioned to certify the budget without recommendations or objections, and Commissioner Kvarsten seconded the motion.

Chair Donahue, Vice Chair Moore, Commissioner Kvarsten, Commissioner Burton, and Commissioner Terry voted in favor of the motion. The motion passed unanimously.

City of Maywood Park Budget Review and Certification

The Commission discussed the approved budget for the City of Maywood Park, balancing a detailed review of underlying fiscal trends against notable administrative and procedural recommendations. The approved budget decreased 23% from the revised FY 2025-26 budget due to a lower beginning fund balance and the formal closure of the wastewater project fund.

The structural health of the budget was a significant point of conversation; the city is projecting an ending fund balance of $0 across all funds, continuing a multi-year trend of expenditures outpacing revenues and signaling that the city is budgeting to entirely run out of operational reserves by the end of the fiscal year. The budget process was also complicated by several administrative and statutory missteps, including an initial proposed budget message with conflicting figures, a late submission of materials past mandatory statutory deadlines, and an improperly categorized "personnel contingency" line item.

The Commission reviewed three formal recommendations for the certification letter: requiring a standard process for correcting typographical errors publicly, adhering strictly to mandatory statutory submission deadlines, and developing a comprehensive five-year financial forecast to mitigate liquidity risks.

Commissioner Kvarsten motioned to certify the budget with three recommendations and no objections, and Commissioner Terry seconded the motion.

Chair Donahue, Vice Chair Moore, Commissioner Kvarsten, Commissioner Burton, and Commissioner Terry voted in favor of the motion. The motion passed unanimously.

City of Portland Review and Hearing Preparation

The Commission reviewed the proposed $8.5 billion budget for the City of Portland, which reflects a 6% decrease from the revised current year budget and marks the second consecutive year of financial decline. To close a gap in the General Fund, the city utilized service reductions in public safety, parks, and overnight sheltering, alongside a drawdown of reserves and a transfer from the Portland Clean Energy Fund. The budget also incorporates a core services realignment that shifts various staff positions out of individual bureaus and into centralized administrative offices. Regarding local budget law compliance, the staff noted that the published proposed budget contained out-of-balance funds in prior-year actuals for a third consecutive year, along with mismatched full-time equivalent counts and unapproved tax revenue listed for the North Macadam district. TSCC recommends that the city implement an internal quality control check to thoroughly verify prior-year actual financial records before publishing future budget documents.

For the upcoming ninety-minute public hearing, the Commission finalized a sequence of questions to review directly with city leadership focused on administrative performance and fiscal sustainability. The planned inquiries will investigate operational adjustments under the new form of government, metrics used to evaluate the centralization of core administrative staff, long-term fiscal liabilities and governance concerns surrounding the pay-as-you-go public safety pension system, and regional job growth.

Wrap Up and Other Business

The commission discussed the upcoming meetings and final reviews and hearings.

There being no further business, the meeting was adjourned.