



## **TSCC Regular Business Meeting**

### **Minutes**

**Monday, June 9, 2025**

**11:01 a.m.**

Chair Harmony Quiroz, Commissioners Burton, Donahue, Lugo Knapp and Moore were present, as were Executive Director Allegra Willhite and Budget Analyst Brittanie Abayare, all via Zoom meeting.

### **REGULAR MEETING**

Chair Quiroz called the meeting to order at 11:01 a.m.

#### **District Budgets to be considered**

Executive Director Willhite said the commissioners were scheduled to discuss the 2025-26 Approved Budgets for Corbett Water District, Palatine Hill Water District, West Multnomah Soil and Water Conservation District, Mt. Hood Community College (MHCC) and Prosper Portland.

#### **Corbett Water District Budget Review**

Budget Analyst Brittanie Abayare presented Corbett Water District's FY26 budget, which increased by 30% due to an influx of grant funding and a higher beginning fund balance. The district received \$376,000 in grant funds from FEMA, Business Oregon, and the Bureau of Reclamation. Personnel services increased by nearly 42%, driven by cost-of-living adjustments, increased PERS rates, and higher insurance premiums. The district plans to make the final debt payment on its Safe Drinking Water Loan in December 2025. The capital improvement budget totaled \$765,000 and included \$350,000 for planning a new reservoir. It was noted that the district had not increased rates since January 2023. Two recommendations were made: first, the proposed budget had initially been submitted unbalanced. The district was unaware of the legal requirement but corrected the issue after TSCC staff notified them. Staff recommended that the district share budget drafts with TSCC earlier in the process in the future. Second, the district's website notice was posted late and listed an incorrect meeting date. Staff recommended that the district add website posting deadlines to its internal calendar and to send TSCC a draft of the proposed budget to catch issues before it's made public.

Discussion followed regarding the operational challenges Corbett had faced, including ongoing staff turnover, the lack of recent rate increases, operational sustainability and leakage rates.. Chair Quiroz moved to certify the Corbett Water District budget with two recommendations. Commissioner Donahue seconded the motion, and it was unanimously approved.

#### **Palatine Hill Water District Budget Review**

Brittanie presented the Palatine Hill Water District budget. Palatine Hill serves approximately 600 customers and operates without a property tax levy. The FY26 budget increased by 2% to \$7.4 million. In March 2025, the district implemented a 20% increase to its base water rate and adopted tiered usage rates. As a result, projected water service revenue rose to \$1.46 million, a nearly 5% increase from the prior year. Materials and services costs increased due to higher purchased water costs and contracted services. The district also made a \$600,000 transfer to its



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System Improvement Fund. Capital expenditures totaled \$3 million and included \$2.2 million for pipeline replacements, \$640,000 for meter upgrades and advanced metering infrastructure, \$110,000 for new hydrants, and \$75,000 for billing system enhancements.

The district's FY24 audit had not yet been received, which staff noted was part of a broader trend due to the shortage of municipal auditors across the state. Staff found no deficiencies in the district's budget process and made no recommendations or objections. Commissioner Burton moved to certify the Palatine Hill Water District budget. Chair Quiroz seconded the motion, and it passed unanimously.

#### **West Multnomah Soil and Water Conservation District Budget Review**

Brittanie Abayare presented the West Multnomah Soil and Water Conservation District's FY26 budget, which increased by 25% to \$5.18 million. The increase was primarily driven by a one-time USDA Community Wildfire Defense Grant totaling \$1.3 million. Excluding the grant, the budget was relatively flat. Property tax revenue remained unchanged at \$2.16 million, which represented 41% of the district's total budget. Personnel services increased by 7% due to cost-of-living adjustments, rising benefit costs, and the addition of a new part-time FTE. The district developed a new District Financial Assistance Products (DFAP) framework to consolidate its grants, loans, and cost-sharing programs, budgeting \$236,800 for that initiative. The district had no outstanding debt and increased its reserves from \$25,000 to \$200,000. It transitioned from a modified accrual to a modified cash accounting method, resulting in historical actuals for FY23–24 appearing unbalanced. However, the district noted this change in the budget and on the LB-1 form.

TSCC staff found no deficiencies in the budget or process. The certification letter will include no recommendations or objections. Commissioner Burton moved to certify the West Multnomah Soil and Water Conservation District budget. Commissioner Moore seconded the motion, and it passed unanimously.

#### **Mount Hood Community College Budget Review**

Brittanie reviewed the FY26 budget for Mount Hood Community College. The total budget is \$383 million, reflecting a 62% increase over the previous year due to the passage of the general obligation bond measure. Tuition was increased by 3.2% to \$128 per credit. Personnel services were budgeted at \$111.5 million. The college anticipated using \$6.7 million from reserves, reducing its fund balance from 17% to 10%. A 4.5% enrollment increase was projected for the coming year. Planned capital improvements included classroom modernization, ADA upgrades, and improvements to the Aquatic Center.

The Commissioners discussed the timing of the budget in relation to the bond measure, allocation of funds for capital projects, and how those decisions would be communicated to the community. Commissioners also reviewed proposed hearing questions covering deficit spending, tuition affordability, student demographic trends, and strategies for attracting and retaining adult learners.

#### **MHCC Compliance**

The federal, state, and special projects fund had overexpenditures for the third time in five years.

This year, the TSCC found that the district had expenditures or fund transfers that exceed

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appropriation limits in the in the Federal, State, and Special Project fund in last year's audit. This is a recurring challenge with three occurrences in the last five years.

TSCC will include a recommendation in the certification letter encouraging the district to implement enhanced policies to mitigate these issues going forward in order to avoid violation of Oregon Local Budget Law.

### **Prosper Portland Budget Review**

Allegra provided an overview of Prosper Portland's budget and recent developments affecting its funding and structure. The Commissioners discussed the closure of several older tax increment financing (TIF) districts and the addition of six new ones. The city had decreased its general fund transfer to Prosper Portland, resulting in budget reductions. The Commission reviewed recent scrutiny of Prosper Portland's Strategic Investment Fund and its role in economic development. Updates on development projects and job creation efforts were also shared.

The Commission discussed hearing strategy and proposed questions, including Prosper's relationship with the City Council, how the agency determines the creation of new TIF districts, and the status of job development work. They also talked about the agency's coordination with Mount Hood Community College and other local partners. Commissioners agreed that key questions should be moved earlier in the hearing to address topics of high interest to the public and the Portland City Council.

There being no other business, Chair Quiroz adjourned the meeting at 1:00 p.m.