

City of Portland
2020-21 Budget Hearing
Tuesday, June 9, 2020 9:30 AM

City Hall, Council Chambers
1221 SW 4th Avenue
Portland Oregon
(Via Zoom)

Present:

TSCC:

Chair David Barringer, Vice-Chair James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Harmony Quiroz, Executive Director Craig Gabon's and Budget Analyst Tonier Betschart

Absent: None

City of Portland Council:

Commissioner Jo Anne Hardesty, Commissioner Amanda Fritz, and Commissioner Chloe Eudaly

Staff: City Budget Director Jessica Kinard

Chair David Barringer opened the public hearing on the City of Portland's 2020-21 Approved Budget. He asked the Commissioners and staff to introduce themselves. He then asked if any of the Commissioners have business relationships with the City that could be perceived as a conflict of interest. There were none. He commended the City of Portland 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.

He asked the City Commissioners to introduce themselves and make brief introductory remarks about the budget and then the commissioners would ask a few questions. Succeeding the questions, testimony from the public will be taken.

After introductions were completed, Commissioner Hardesty gave an overview of the budget. She talked about the budget process; COVID-19 health crisis and the changes it brought to their financial outlook; General Fund reductions; preserving and protecting the most vulnerable Portlanders during the crisis. She concluded by stating she was proud of the budget they have put together; but there was work to be done as they move through the crisis.

With that that commissioners moved to the prepared questions.

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 upcoming budget?

City of Portland Commissioner Fritz fielded the first questions saying:

There does not appear to be as much near-term exposure here for the City of Portland when compared to other public sector jurisdictions in Oregon or the local region. Almost all of the General Fund revenue sources are collecting revenue on economic activity that occurred prior to the Covid-19 crisis. The situation may be more acute in other City bureaus like transportation, which collects in a real time manner with an eye on current parking and gas tax revenues, both of which have been hampered by the current crisis in real time. Within the General Fund, there was sharp decline in user fees normally generated through recreation centers and programming. Both Transportation and Parks took action in early April to curtail spending and adjust their budgets to the new financial situation.

What impact will this have on the district's ending fund balances that are not yet reflected in upcoming budget?

The most immediate major General Fund exposure is through transient lodging taxes, which make up about 6% of General Fund Revenues, and most of the revenue was already booked prior to COVID-19. Furthermore, the City has taken actions to limit expenditures through the end of the year by implementing furloughs and a hiring freeze.

Commissioner Ofsink asked these questions:

For the upcoming FY 2020-21 budget year, should the economy remain stalled, where are the district's greatest vulnerabilities?

City of Portland Commissioner Hardesty said:

The greatest vulnerability is focused on the City's Business License taxes. It currently makes up about ¼ of General Fund revenue. In a typical recession the City loses about ¼ of that revenue source. In this case, this would mean about \$40 million, though at this point, we expect the impact to be slightly larger than that given the steepness of this contraction.

How will the district monitor and respond timely if revenue collections go off track or if unanticipated service requirements continue?

City of Portland City Commissioner Hardesty said:

The City has several points during the year where we review and make corrections to our budget. These "budget monitoring processes" or "BMPs" provide for natural checkpoints as we manage through these uncertain times. This October, during our regularly scheduled Fall BMP, we will be looking to undertake a more significant true-

ing up process. In the Fall, we will have better revenue information – given that the tax filing deadline has been extended to July – and we will also have information around the impact and adequacy of the spending freeze measures taken this Spring once we fully close the books on FY 2019-20. We have already directed bureaus to prepare \$9.3 million in cut options for the Fall in the event we need to take reductions. This approach will help ensure we can adapt to the changing financial picture for FY 2020-21.

However, the City won't likely know the full extent to which it is financially exposed by the current crisis until the 2021 calendar year. This is because companies are not required to pay their 2020 tax liabilities until March or April 2021. We will use the Spring BMP again to make necessary adjustments to the FY 2020-21 budget and will build flexibility into our FY 2021-22 budget development process to enable us to adapt to the uncertain financial situation.

Commissioner Wubbold asked the following questions:

Are any debt service revenue streams at risk? If so, what is the coverage plan?

City of Portland Commissioner Eudaly responded saying:

The City is monitoring "at risk" revenue streams that pay debt service on various bond issues but is not expecting shortfalls that would result in an inability to pay debt service or meet debt service coverage requirements.

Gas Tax Revenue Bonds: The City's Gas Tax Revenue, which consists of motor fuels taxes, weight-mile taxes, and DMV fees distributed from the State Highway Fund, were originally projected at \$80 million in FY 19-20 and \$87 million in the FY 20-21 budget. ODOT's revised April 2020 forecast, which included anticipated impacts from COVID-19 shutdowns, indicated losses of approximately \$9.1 million for the remainder of FY 2019-20 and FY 2020-21 in their baseline scenario.

The only outstanding issue of Gas Tax Revenue Bonds (secured solely by gas tax revenues) is the City's Gas Tax Revenue Bonds, 2011 Series A (the "2011 Bonds"). These bonds are outstanding in the amount of \$4.925 million. There is no debt service coverage requirement for these bonds. The FY 2020-21 budget currently plans for repayment of all outstanding 2011 Bonds. The Portland Bureau of Transportation ("PBOT") expects to have sufficient revenue to make this payment. Additionally PBOT also has financial reserves and has introduced cost savings measures – hiring and pay freezes, mandated furloughs and FY 2020-21 budget revisions – which provide capacity to service debt as required. As such, even with the anticipated drop in revenues there is no anticipated impact on PBOT's ability to service these bonds.

City of Portland Commissioner Fritz pitched in saying:

Limited Tax Revenue Bonds: The City has issued various Limited Tax Revenue Bonds, which notably do not include debt service coverage covenants. A portion of the City's Limited Tax Revenue Bonds rely on revenue streams that may be regarded as "at risk" including parking fees and parking meters, surcharges on the transient lodging tax and the motor vehicle rental tax through the Visitor Facilities Intergovernmental Agreement,

spectator revenues, and transient lodging taxes collected by the City. While these revenue streams may experience near-term decreases, bureaus paying outstanding debt with these revenues have undertaken cost-cutting measures, which will preserve capacity to pay debt service. Additionally, the City's has analyzed the respective funds for adequate reserves/budgetary contingency which provide additional assurance beyond current year revenue performance. Ultimately, the Limited Tax Revenue Bonds are secured by the City's full faith and credit. The City expects to have sufficient revenues, including general fund revenues, to pay debt service on these bonds. The City will continue to monitor revenue streams and develop plans to ensure all debt service is paid in compliance with all legal requirements.

The City's Limited Tax Housing Revenue Bonds, 2005 Series A (Headwaters Apartments Project) (the "Headwaters Bonds"). The Headwaters Bonds were issued with an agreement to establish and collect rents and revenues at a level sufficient to provide 1.20 times coverage of debt service on outstanding bonds. The Master Bond Declaration requires that, if the project fails to meet the 1.20 coverage ratio requirement, a Housing Consultant must be employed to review the operations of the project. While the City faces the risk of not meeting the coverage requirement due to tenant relocations required for a roof replacement project and risk of rent forbearance in FY2019-20, the City plans to issue bonds in the summer of 2020 to refund this issue and to provide additional funding for various capital improvements, including a roof replacement. Terms of the new bonds, including debt service coverage requirements, are being evaluated; however, it is expected that the new issue will be secured by the City's full faith and credit.

City of Portland Commissioner Hardesty concluded by saying:

Water Revenue Bonds and Sewer Revenue Bonds: The City has issued Water Revenue Bonds and Sewer Revenue Bonds secured by the respective net revenues of the City's Water Utility System and the Sewer Utility System. It is expected that both utility system will continue to provide net revenues in sufficient amount to pay debt service and meet all debt service coverage covenant requirements.

One of our commissioners noticed significant budget changes, one dealing with pension. You are planning on a pension reduction a net of \$750,000. This is a one-time draw on funds. Are there other debt service contributions where revenue bonds will need similar contributions in the future?

Ms. Jessica Kinard answered saying:

I am unable to provide that information at this time. I will get the information to Executive Director Gibons at a later date.

Commissioner Norton asked the following questions:

You perhaps will need go off script a little and look at this from your individual points of view, because the question was originally intended the Mayor. As you mentioned at the beginning, it seems like forever ago that the budget was being developed, proposed. There were some changes made as the approval was achieved. We did receive a list of technical amendments that are being planned for tomorrow. With the current community dynamics, it is possible that other changes will be made? So it's hard enough to think

about next week, never mind in the fall, as you mentioned, when you have the fall BMP and then the midyear BMP and then the spring BMP, but we were, we're left with a cliffhanger in the mayor's message when he said "in the fall when we know the actual size of the revenue". Our question was intended for the mayor, but I would appreciate any responses you would like to make on your own behalf. Can you tell us if anything specific is gelling for the fall true-up? Secondly, and this is something I would like to hear from all of you; in the addendum to the budget message the mayor said that you talked about using quantitative and qualitative information to tell us what programs will do more than others to serve Portlanders during our recovery and transition to the new normal. Could you give us your own expectations for what that might look like?

City of Portland Commissioner Hardesty said:

Well, as I think I mentioned at the very beginning of this program, the world has changed radically from where we were, when we started this process in May, and is actually changed radically since the pandemic began because of the movement that's taking place on our streets every single night for the last 11 days. Tomorrow there will be significant proposals moving forward to readjust our budget in a way that is responsive to the community cries that we've been hearing. I am honored that all of my colleagues have been really paying attention to what's been unprecedented in the history of the United States of America. It is rare to have 10-15,000 people take to the street every single night. We would not be the leaders that we are if we were not paying attention to what community needs are.

What you will see as we move forward is a coordinated effort by the city council to both be responsive to the limited resources that we have; but also, to be responsive to what the demands are from the public. These are very exciting times, even though you would think, how could you be excited during a pandemic? But what the city has done, which I am very proud of, is actually made a real commitment to frontline communities. That means black, indigenous and other communities of color. Ever since the pandemic began, the city has, prioritized those communities that we know will be first hit and worst hit, and the hardest to recover. I am proud of the work that we've done at the city of Portland, whether it's been through Prosper Portland and prioritizing small businesses of color for relief; whether it's been to our direct assistance to households who are suffering unemployment and food insecurity; the city has stepped up in a way that as an activist for 25 years, I never thought was possible.

But now the latest crisis, which is the crisis of the community's faith in our law enforcement system that is now front and center, as the responsible public leaders, we are all working now to really address those issues. So tomorrow what you will see are proposals that will be reducing money from the Portland Police Bureau's budget and be investing those dollars in places that the community believes we have been negligent, and prioritizing. I don't want to give away my secrets for my press conference later today or for the budget conversation tomorrow. But I will say that I am so proud that we've been able to turn this corner so quickly. Many of you have participated in our budget processes over the years. What's supposed to happen yesterday is just the automatic reaffirmation of what we've always said we were going to do.

That's not happening tomorrow. What you're going to see happen tomorrow is us reprioritizing how we allocate those dollars. That is the right thing for us to do right now. Some of the stuff that we're going to do, I thought would take me about a decade being at

City Hall to do. I am thrilled that we're going to be able to do it in a way that really respects our community safety. So I don't want people to be concerned. There's a terminology being used called "defund the police." And I think there's a misperception that that means that we're just going to close down the police agency, and just not have police in the City of Portland. I want to assure you that we are being very thoughtful about how we will do that. As an example, some of the program cuts that are being moved forward; like the gun violence reduction team; our transit police, and our school resource officers; none of this is new to communities of color, that none of these programs have actually worked to create trust and communities of color.

I can't speak for my other colleagues, but I can say that based on the conversations I've had so far, there's a lot of interest in reimagining what community safety looks like. This is just the beginning because as we move forward, we're going to be able to identify some medium range goals and some long range goals. I'm excited that what we've been waiting for...that we're going to make this happen. It's probably a little scary for folks who are accustomed to the normal processes that we use. These are extraordinary times and business as usual, can't be the norm. I will stop and see if Commissioner Eudaly or Commissioner Fritz would like to weigh in on this question.

Commissioner Norton asked the following questions:

Perhaps before they do. I could maybe try to summarize my question again and redirect it a little. I appreciate your remarks Commissioner Hardesty. You're talking about reprioritizing existing funds, but we do know that there is still some gap in discretionary revenues, I think you've mentioned \$9.3 million in targets that are out for the fall BMP. Presumably things like the business income tax, the fees that are driving the payments for those revenue bonds that were detailed for us, maybe are at risk. As you progress forward, what's going to be your yardstick? The mayor talked in his message about qualitative and quantitative information about what programs best serve Portlanders in the recovery. What's going to be your yard stick for making those decisions?

City of Portland Commissioner Hardesty responded saying:

My yardstick has been whether or not we are investing in communities that we know have lack of access to traditional means of support. What we've done with our small business program, is revolutionary. What that shows is that we have reached out to the communities and they are telling us what it is they need. Our Prosper Portland grants really supported those small businesses. It started with Asian American business owners. When COVID-19 first hit, those businesses were facing economic devastation long before it hit businesses all over the City of Portland and the state because of the misinformation and quite frankly, the racist assumptions about where COVID-19 came from. I cannot answer to what the mayor was thinking and his note, but I will tell you that we are measuring consistently. Every two weeks we are meeting to measure the effectiveness of where we are investing our resources.

City of Portland Commissioner Fritz added:

In addition to what President Hardesty said, we passed a resolution, a binding city policy. This was before George Floyd's murder. It outlined the steps and the agreements that we have in terms of prioritizing previously underserved and underrepresented communities, and making sure that we use the equity toolkit, which was developed by the Office of

Equity and Human Rights in partnership with the Bureau of Transportation, Water Bureau, and others. We have kind of the roadmap and it includes also remembering that climate disruption is a major crisis. Some of the pollution has gone down with people not driving as much or taking airplanes. Climate change disruption affects some communities more than others. I'm really proud of the work that the council has done together in stating our values and not only just stating our values, but having a toolkit and actions that are how we will make sure that people who previously were left out the community are first in the recovery efforts.

City of Portland Commissioner Hardesty said:

Thank you so much, Commissioner Fritz. For the first time, we've actually added teeth and accountability to the Office of Equity and Human Rights. They now have the ability, based on council action, to view the work that's being done to make sure that we are reaching the goals that we have set for taking care of our community. I was proud to see that we invested in the Office of Equity and Human Rights because we use that term quite a bit; but we didn't actually put teeth into their ability to hold Bureaus accountable until this current budget cycle.

City of Portland Commissioner Eudaly

I'm speaking from the perspective of how my bureaus have approached this challenge, but I imagine it's somewhat similar to the rest of the city. We immediately began efforts to minimize service impacts and employee impacts, re-prioritize projects, redeploy personnel, and really focus on our core services and essential functions. When the fall BMP conversation comes, we are probably going to have to dig deeper and have some more really challenging conversations. As far as what programs best serve Portlanders and what my yard stick is; we are spending an extraordinary amount of money to make up for our failures and it's time that we reprioritize those resources and actually get to the root causes. Both of my colleagues have spoken to that. The focus has to be people who are not getting their basic needs met, whether it's housing, food, access to jobs and education, mental health services, addiction services.

It is costing us a lot of money, but it's also costing us human suffering and dignity and life sometimes. It might sound strange to say that we're excited. This is a terrible time for so many people, but all of a sudden conversations that were just considered unthinkable are happening across the country. I am very hopeful that we can come out of this stronger than before. I'm a big fan of results based accountability and using better measures to develop projects and programs. That is my yard stick; how much benefit can we deliver to the people who have been the least well served by our city and by centering on those people or those communities, we will better serve everyone.

City of Portland Commissioner Fritz said:

I have one further response to Commissioner Norton's question. In addition to what my colleagues have said, we are deeply grateful to our employees who are making, a lot of sacrifices. Another unprecedented thing is that they have, with the notable exception of the police union, they have all come to the table. They have negotiated different strategies for different unions, depending on the needs for their members; all of them offering up significant cost savings for us. That would be part of the Mayor's answer for the fall; that given how our employees have pulled together and have looked to the good of the entire

city and the people we serve, I would expect them to continue to do so as part of the full monitoring process.

City of Portland Commissioner Hardesty responded saying:

What's good is that the city has really prioritized and showing that, we protect our lowest wage workers and we did that by setting a cap for furloughs. So if you make less than \$15 an hour we have said they don't have to take furlough days. The mayor decided not to take his salary for the remainder of the year, because he knew right away that this was really a severe economic downturn that we were experiencing. What we've done is make sure that those who make less than a hundred thousand dollars, only had to take was one week of furlough days. And if you are an employee that's fortunate enough to make more, you were required to take two weeks of furlough days. I had one employee that was like on the edge. He was like a couple of dollars over which meant that as the sole breadwinner in his family, he would have been forced to take two furlough days.

I took three so that he would not have to take two. If we're prioritizing our employees, if we are actually valuing what they provide to the City of Portland, we, the leadership have to set the model for the rest of City. I think that it was shocking to folks that we asked public safety bureaus to take the same 5.6% reduction that we've asked every other bureau to take. Traditionally we have held public safety bureaus harmless when there have been budget cuts. This one we knew would be so severe that we're either all in it together, or none of us would be in it. So it was very important for us to really set that bar high and to make sure that we were being responsive to our lowest wage employees, as well as making the reductions necessary. These reductions were painful and will continue to be painful, but it would have been a lot worse had we waited until the fall. Then we would have had to make some really severe cuts.

We have taken this very thoughtfully and making sure that the pain is shared across the City of Portland. I really appreciate you asking us our personal perspective rather than what was scripted, because I get excited when I get to use my own words.

Commissioner Norton made the following observation.

I think we need to move on because we have people waiting to testify, but thank you so much.

Commissioner Quiroz asked the following questions:

You talked about the City's partnership, I'm interested in how the economic slowdown has affected the City's working relationships with Metro, the County and other local government partners. Will the City be making any revisions to its participation or its financial contributions to major projects; the Portland Five Venues, the Joint Office, the Harbor Cleanup, Levee Ready Columbia?

City of Portland Commissioner Hardesty replied saying:

I would not support the terminology that we've slowed down our partnership. Metro had to lay off 700 employees almost immediately after the pandemic required us to all stay home. The Big Five will probably be the last to be open because people will not be meeting in large groups anytime soon. We have an obligation to prioritize people's needs today

and try to do as much as we can to protect those institutions; but our priority must be making sure that people are able to stay in their homes; that people have food; and that we are helping people be able to shelter in place and keep that physical distancing. I think that we have forgotten because of all the mass demonstrations that we're not supposed to be meeting in crowds.

The City certainly continues all strong partnerships with both Metro and the County. That's reflected in our support of housing for folks, both who are houseless and for very low income community members. It was the partnership that we helped shepherd that created the three outdoor rest areas for our houseless people. The County, though they did open up many more shelters, they did not add shelter beds. They opened up shelters so that people could have physical distancing space. It was not until the City partnered with the County that we added beds for folks who were in desperate need. We have increased our food allocation significantly. We have been assisting in school districts and expanding how box lunches and food gets to community members who have no access to resources at this time.

Even though it doesn't show up in the press often, we are working very closely with all our government leaders. We're in a strong partnership with the governor because the governor has to invest in our community. And as of yet, she has not done so. We are using all our political capital to make sure that we're continuing to maintain those strong relationships, but clearly we need federal assistance. We're working with our federal delegation to identify resources that we can tap into. We're working with our state legislative body to make sure that they are prioritizing the issues that the City needs them to prioritize. Our relationships have gotten much stronger because of the pandemic; because we need each other; and we have to do this work together.

We are uncertain about what our financial picture will look like. We have been very conservative and thinking about what is possible. What we hope is that before the fall BMP, we will know whether federal resources will be coming to assist local governments. We will know whether the legislature has actually allocated any resources to support local governments and their immediate needs. The fall BMP is a roadmap for us to just say, we will know much more information once we get to the fall BMP. We don't want to over promise because we just don't know what the financial picture will look like.

Commissioner Quiroz asked the following questions:

I so appreciate all the comments around the, this shift in strategic thinking around who City of Portland can serve and should be serving, not just in the midst of the pandemics, but long-term. I'm interested in your thoughts about that shift in strategic thinking around the partnerships with the County, with all of the different organizations that the City works with. How will that shift in thinking lend itself to a long-term partnership shift?

City of Portland Commissioner Hardesty responded saying:

A pandemic teaches you that there are no lines. Inside government we think, well, this is what the City does; this is what the County does; this is what the state does; this is what Metro does. With a pandemic and a global pandemic there are no lines. What I've appreciated through our Emergency Coordination Center is that there are no lines. The question is what do the people need? The people who are managing that on a daily basis are addressing those immediate needs. What we're learning is that we don't need to

actually worry about who's in charge of either this bureau, if you're talking to City of Portland or what government is responsible for say, housing.

The Joint Office of Housing makes it clear that there should not be any lines. We all agree that people need housing that they can afford to live in. I think the pandemic has showed us how well we work together in crisis. What I hope is that when the pandemic crisis, economic crisis, and racial justice crisis have ended that we will learn that we should be fluid. We should not expect the public to have to figure out what government they need to make their demands to. It should be us, the government, actually helping people get their needs met.

Every time we've had an emergency, I have been impressed with how well people work together. It's when it's not a crisis that we don't work so well together sometimes.

City of Portland City Commissioner Fritz added:

We do want you to know that we have the same level of discretionary funding and an increase in overall funding to the Joint Office of Homeless Services compared with the current year budget. We have not yet decided how to allocate between the many important competing needs for the C.A.R.E.'s dollars. We will be discussing the role of that as part of the ongoing work. This is a strange budget because there's a lots of challenges with what's coming out from the federal and the state funds.

The other thing that's important to note is that we are funding the commitment to the Portland Harbor and the Levee Ready Columbia. Because we had been able to put away funds for those needs, it not only allows us to continue the required support, but gave us some financial flexibility. We'll be looking to build back our ongoing set aside accounts for those long-term liabilities.

It's clear that yes, we have an immediate crisis. Our debt managers in our City budget office and the Mayor are definitely looking to the long-term as well. We have to remember that we can't raid all of the buckets and not have any plans to put in place to make sure that those essential needs are met in the future.

Chair Barringer asked the following questions:

Most of our questions so far have been very broad. This one's very specific. Recently the City Administrative Hearings function has been in the news. How is the council planning to assure that this function s performed throughout the next fiscal year?

City of Portland Commissioner Fritz said:

We all know having an independent objective Hearings Office is absolutely crucial. It's unfortunate that the auditor has asked the council to put it in a bureau, which by definition is then managed by one of us who has other bureaus. It's been challenging to find another home that provides the same level of objectivity against this conflict interest. The Mayor plans on issuing an amendment to the adopted budget, to put the office temporarily in the Chief Administrator's office. Then we'll be asking the Charter Commission to take up this discussion of a permanent home when they begin convening later this calendar year. The charter currently says that the auditor has to consent to having various functions other than those that are in the Charter. She has withdrawn her consent to have the Hearings

Office. It's something that I think that the Charter Commission and the people of Portland need to weigh in on as to where they feel the Hearings Office can most objectively and impartially be housed.

Commissioner Ofsink asked the following question:

Our question is just given the civil unrest nationally and locally around police accountability and racial justice specifically in public safety, what do we see in this year's budget that addresses the root causes of these public safety and equity concerns?

City of Portland Commissioner Hardesty said:

These are not new issues to the City of Portland or to the deliberation around budget. It is my view that a budget is a moral document, and where you invest your resources says a lot about what your values are. I am so proud that my council member colleagues and I are all very strong supporters of the Portland Street Response because when we went and talked to very low income people; people who were houseless; people who are experiencing sweeps on a regular basis; and asked them how would you like someone to approach you if 911 was called on you? What a novel idea going, directly to the people who are being most impacted! What we heard over and over and over again, is that what people want is not someone that comes and starts demanding stuff like demanding their name, wanting to run their background, et cetera, et cetera.

What they wanted was someone that came with an empathetic and compassionate ear that would just deal with them where they are. Out of those conversations, service, community meetings, focus groups came to Portland Street Response. Now, prior to the unrest that has taken place, Portland Street Response was in the budget for a half million dollars so that we would have a pilot project that would happen in one community. And we had identified Lents as the community where that would happen. I will be proposing tomorrow that we expand that to six sites because, when the community says they would rather have people coming out that are not police officers, we need to supercharge this effort around Portland Street Response. It is a direct response to both the unrest and what the community has been telling us for years.

The community does not want people that are armed to engage with them when they're suffering from a mental health crisis. What we know is even if you don't have any mental health training, yelling at people and being aggressive at peoples in mental health crisis does nothing to actually help the situation. The Portland Street Response is envisioned as a van full of supplies; and an EMT which now is attached to fire, and a certified mental health professional. So think about six, two person teams that would be stationed in different parts of this city as a direct response to the overutilization of 911. We have too many community members calling 911 because they are uncomfortable with what people look like; they're uncomfortable with the fact that people are camping across the street from their house or their business; they're uncomfortable because poor people are in doorways. The amount of 911 calls that have increased before the pandemic was 50% increase in calls for unwanted people. Portland Street Response is a direct, solution to calls for unwanted people. It is our responsibility to actually create a response that will address what the issues are, which is that people are suffering on our street, and we are not building housing that people can afford to live in rapidly enough to have no houseless people on the street. I am excited that we were starting down this path. Then the pandemic hit, so of course we all stayed home. Once we are out of this pandemic, we will go back

to the table and really expand and supersize the Portland Street Response so that we have another tool in our toolbox when it comes to community safety.

I think we have to move people away from the assumption that when you say public safety that means police armed to the hilt. What communities are marching in the street for is they don't want militarized police being aggressive in their community. We, as the council, we, as the community, have to come together and re-envision, what does community safety look like? How do we as government start putting in place the appropriate first responders to respond to calls for service? We must send the right first responder to the right incident at the right time. The Portland Street Response will give us another tool.

Commissioner Ofsink made this observation:

Thank you again for the summary of the Portland Street Response. We were really interested in that last year when it came up. For this year, there's currently kind of one pilot that I thought was put on hold, but now maybe is back in play.

City of Portland Commissioner Hardesty said:

That was misstated in the press. It was never put on hold and it's always been fully supported by the entire city council. The only thing that put it on hold was the pandemic.

Commissioner Ofsink asked the following question:

Can I just get a sense of the scale we're talking about? So the six Portland Street Response teams, does that represent coverage across most of the city, across most hours? If the program proves to be successful and we wanted to shift to a full Portland Street Response, what is that compared to six teams?

City of Portland Commissioner Hardesty said:

Two days ago I proposed that we expanded from one to six. We've worked with service providers. We've had law enforcement; we've had fire and rescue; our work group; Kristen Johnson and my office led the work group. My plan is that we will reconvene that work group so that we're not doing this in isolation. So that we're working with people who helped us with the original design to do the expansion. I want to caution, whether or not we think that this will be like citywide, I don't think six trucks can be citywide. I don't think they will be on duty 24/7. What I am hoping is giving people the opportunity to be creative. I would love to see one side of town have a Portland Street Response truck that actually works overnight. Then another side of town having one that just works nine to five.

I would like us to use data to inform where we put Portland Street Response. That's what we did when we had one pilot. We chose Lents because that's a community with few social services. It's very geographically small, so you could really have an impact on that community. I personally don't want to unduly influence. I want to make sure that we're working as part of a coalition that says, okay, now that we will have additional resources, how do we expand this so that we learn a lot from the pilot? The pilot is also going to be evaluated from the beginning.

So we're working with Portland State University with their houselessness collaborative. We are working with them to do the evaluation from the beginning so that we can make

corrections as we see fit, so that at the end, we don't have to wait a year for the evaluation. We'll have the information about what worked, what didn't work; and then we can have the conversation based on that and how we spread this out so that it becomes another of our tools for first responders.

City of Portland Commissioner Fritz responded saying:

One of the advantages of the commission form of government is that we each have authority to be able to work on different aspects of the city's budget commission. Commissioner Eudaly has been a champion for the universal defense program, and she also was able to get ongoing cannabis tax money for social justice grants in this cycle. The Water Bureau with the Bureau of Environmental Services, has established small grant programs which help businesses, particularly those run by people of color, women, and people with disabilities to help them pay their water bill. That is also prioritizing childcare businesses because we can't get back to normal or back to work if parents don't have a safe and affordable childcare. It's all of us able to work on different aspect of this. The Mayor has been pulling together as the leader of our team.

City of Portland Commissioner Eudaly said:

The evolution from crime prevention in civic life to community safety is all about this. It is about creating a more inclusive, holistic model of public safety and recognizing that police are just one resource for public safety. They are clearly not the appropriate resource for many of the challenges that we're asking them to respond to. We have to take some responsibility as a city for the challenges that we've left to police. I want to emphasize that part of the conversation. This isn't just taking reallocating money away from police to our pet causes. This is reallocating resources away from the police and simultaneously taking work off of their plate because we don't want them responding to people in mental health crises. We don't want them interacting with people experiencing homelessness unnecessarily. We want to minimize as many community contacts with police as possible and leave the actual crime, which is a fraction, not even half of the calls coming into 911 are about crime. And that is what the police need to be focused on. And I'll just leave it at that.

Commissioner Wubbold asked the following question:

Before Portland Street Response, as we listened to the voices on the street in the communities and respond to those voices and to their needs. We are trying to address safety and houselessness; all of these very, very large issues. One of the things that I'm curious about, will garbage collection be an element for consideration? Folks are living in unsafe, unhealthy conditions and don't have the means to deal with their garbage.

City of Portland Commissioner Hardesty answered saying:

Let me just say yes, yes, yes. Yes. Because we have this big contract that we passed a year ago for a camp clean ups. When we passed it, I supported it only under the caveat that we would start breaking that huge contract down into little bite sized pieces, because here's what I know to be true. Any camp that is self-managed is clean. It doesn't have garbage or needles all around it. There are no calls for law enforcement to those camps. The camps that are self-managed make everybody safer because they develop their rules; they enforce their rules, and never a call to police at all. What happens when there are

people camping and unsanctioned camp areas is that there's safety in numbers.

If somebody comes by who is houseless and they see there are four camps here, well, I'm going to add my couple of camps because I'm going to be safer than being out on the street by myself. All of a sudden, you've got 20 campers out there. And then all of a sudden it's 40. Then the neighborhood is freaking out. People are killing my neighborhood. And we have to acknowledge as a city, as a community that we can't build our way fast enough to ensure that everybody has a safe house that they can afford to live in.

It will be my push that we start developing sanctioned, outdoor camping areas where campers will be able to set the rules for how they operate. There has been fear among both my colleagues on the City Council, as well as the community, that if we have sanctioned camps that we are condoning people living on the street.

It is not people's fault that they can't afford to live in the City of Portland. It's not people's fault if you don't make \$24 an hour, you cannot afford a one bedroom apartment in the City of Portland. Most working people don't make \$24 an hour. It is our responsibility to help people be able to shelter where they are and to help them have the resources to do what all humans do; go to the bathroom; have garbage and be able to dispose of it; be able to shower. It is our obligation to set up areas in town where people can safely rest. We have had conversations with houseless people about trying to stay awake 24 hours a day, so you don't get robbed; so the police don't hassle you, it's just heartbreaking. We continue to put that on the backs of our most vulnerable people.

It's my goal, as we start rethinking community safety, and honestly, neighborhood association, small businesses, they've been all excited about Portland Street Response and what's possible. They will also be very happy when we actually put together the outdoor camps during this pandemic, because they can see that people are in desperate need on our street. We just have to be more proactive. Those kids that show up every night, they are giving us the courage to be proactive.

That's the end of our formal questions. And thank you all for contributing to this very important conversation as Commissioner Hardesty said. With that, I'm going to turn it over to Executive Director Gibons and he introduce those who wish to give testimony.

Executive Director Gibons said:

Chair Barringer, two people have signed up to speak, Jesse Fox and Benjamin Fallah.

Chair Barringer said:

The commission would now like to hear your comments, but as you've heard, we are over the end of the time allotted for the meeting. So please be as succinct as possible, but please do speak Mr. Jesse Fox.

Mr. Jesse Fox could not be located so Mr. Fallah was asked to speak. He said:

Hi, this is Ben Fallah. Thank you so much for giving me a chance to speak today. I think a lot of the concerns that I have are clearly being heard. They come from the community and from the demonstrations that we've been seeing. I'm so happy to hear so many of the commissioners today speak on what's already been done and how they are recognizing the urgency right now that is coming from the community. A lot of my concerns, it sounds

like you're going to address in tomorrow's City Council meeting. I'll be attempting to attend. I am a nurse in the community. I do work. So it's difficult for me to get to the middle of the day meetings. Right now I'm at home with my two year old. I live in the University Park Neighborhood. We had to sacrifice and lose the Columbia Park. That's just one small issue. It was a sad day to hear that it was closing because it sort of represented the investment in the community that Portland's done. I know it's not the primary focus. I think, the calls to reallocate funds from police forces into the Street Response teams into those sorts of things, and then into the parks department and trying to reopen some of the social services that are free to all members of our community. Those are the types of changes that I'd really like to see and people in my community are really hungry to see. I'm excited to see how things develop and thank you for letting me and my son here speak today.

With no other speakers, Chair Barringer closed the public hearing and opened a regular meeting of the TSCC. He asked if any of the commissioners had any comments on the city budget. There were none. He asked Executive Director Gibons to give a brief review and recommendations of the City 2020-21 Approved budget and budget process.

Executive Director Gibons said staff recommends that the commission certify the budget and the budget process without any objections or recommendations. He concluded by saying City of Portland staff did an excellent job in trying times this year.

Commissioner Wubbold moved to certify the City of Portland's budget with no recommendations or objections. Commissioner Ofsink seconded the motion. It was approved unanimously.

There being no other business, Chair Barringer adjourned the meeting.

[The commission reviewed and approved these minutes as modified by commissioner Norton by at its July 22 meeting.](#)

A handwritten signature in black ink, appearing to read 'CG', with a long horizontal line extending to the right.

[Craig Gibons](#)