# City of Portland
# 2026-27 Hearing Minutes

Tuesday June 9, 2026

9:30 A.M.

1900 SW 4th Ave (2nd Floor, Council Chambers)

Portland, Oregon

**Present:**

**TSCC:**

Chair Matt Donahue,
Vice Chair Dr. Rita Moore,
Commissioner Tod Burton,
Commissioner Dr. Will Terry,
Commissioner Erik Kvarsten,
Executive Director Allegra Willhite,
Budget Analyst Brittanie Abayare
**Absent: None**

**City of Portland Officials:**
Mayor Keith Wilson,
Council President Elana Pirtle-Guiney,
Council Vice President Tiffany Koyama Lane,
Councilor Candace Avalos,
Councilor Jamie Dunphy,
Councilor Loretta Smith,
Councilor Sameer Kanal,
Councilor Dan Ryan,
Councilor Angelita Morillo,
Councilor Steve Novick,
Councilor Olivia Clark,
Councilor Mitch Green,
Councilor Eric Zimmerman,
Raymond Lee, City Administrator
Tracy Warren, Deputy City Administrator
Jonas Biery, Chief Financial Officer
Ruth Levine, Budget Director

## Opening Remarks and Introductions

Chair Matt Donahue called the annual City of Portland Budget Hearing to order and welcomed attendees. He stated that the TSCC is a community oversight commission established by the Oregon Legislature over 100 years ago that oversees the budgets of all TSCC member taxing districts, conducts budget reviews, and holds public hearings to provide opportunities for public comment before budget adoption.

The TSCC commissioners and staff then introduced themselves, confirming they had no conflicts of interest regarding the city. The city representatives also introduced themselves. Chair Donahue congratulated the city on receiving the Distinguished Budget Presentation Award for the fiscal year 2025 adopted budget book.

## Public Comment

Three members of the public signed up for testimony, but only one spoke:

- **Brett Bourne (Cannabis business owner & Chair of CPOT)** Identified himself as a cannabis business owner and Chair of CPOT (Cannabis Policy Oversight Team) whose dispensary had been burglarized and robbed at gunpoint six times. He testified regarding the Measure 110 program and cannabis tax dollars, noting that a 2025 report highlighted serious challenges including oversight, data reporting systems, data integration across agencies, performance measures for providers, and the lack of geographic allocation based on the concentration of harm. He emphasized that addiction, overdose, and homelessness remain urgent issues despite hundreds of millions of dollars pumped into the program. He urged the council to recognize that these are voter-approved funds governed by law and need transparency to ensure they are allocated proportionately to where measurable harm is concentrated. He stated that CPOT aims to improve transparency with a formulaic geographic allocation model, and warned that if funds are not allocated appropriately, the cannabis business community would like to see the measure overturned and funds put back into cannabis investments.
- **Marco Pino** and **Ben Segal** were signed up but absent when called. (Later, Chair Donahue acknowledged that written testimony had been received from Ben Segal and Elizabeth Luthy regarding the public's lack of time to review the budget amendment process).

## Commissioner Questions and District Responses

**Question 1: Asked by Chair Matt Donahue:** This cycle marks your second budget process with the new form of government, and we know you made multiple process adjustments this year. What worked well this time around?

- **Councilor Jamie Dunphy** answered “When I took this office in February, former Council President Pirtle-Guiney had already put together a budget process working group, to consider lessons learned from last cycle’s budget process and consider changes. We also inherited a fairly complete budget calendar passed by council as a Resolution in 2026. This collective memory and wisdom determined 90% of the changes to the process this year, and I’m very grateful for my colleagues’ work.
- My office released a memo on March 30 that outlined the complete budget process, including both the schedule of hearings and all filing deadlines and engagement procedure through the end of the Fiscal Year. Council Operations originated the draft, and we finalized it in close collaboration with CBO, CFO, the City Attorney, and the Council Vice President. I believe that having this roadmap was extremely beneficial to our processes this year.
- The administration released the Mayor’s Proposed budget on May 5 in 2025, and April 20th in

2026. This meant Council and the public had two extra weeks to review the Proposed. This was not easy on the executive and administration, particularly in a hard cuts year, but the change from two weeks notice to four weeks notice was, I believe, transformative.

- That extra time allowed us to schedule significantly more public budget work sessions than last year. This year, we held ten work sessions between the proposed release and the adopted hearing, starting with a joint city-county hearing and then working methodically through the city service areas. At the suggestion of Councilor Zimmerman, we re-scheduled regular council meetings so that the work sessions could have a predictable schedule of 9:30am-12:30pm, every Tuesday, Wednesday, and Thursday.
- Last year, some of this service area budget analysis was done in committee, and there was strong feedback that it was sub-optimal to have that work occur without all Councilors present. Shifting to Work Sessions, which are all-council, was intended to fix that gap in information and participation, and I think it was by and large successful.
- We also limited Committee meetings during the work session period to an as-needed basis, with the intention of reducing non-critical business so that Council could focus on the budget. We also asked the Administration to delay any non-critical business until after the budget process had concluded. This was only moderately successful, as there was still a crush of high-profile legislation from Council and the Administration alike during the budget hearings, mostly (but not only) because of deadlines related to the end of the fiscal year. I would recommend that the next Council President start working to manage the flow of end-of-year legislation even earlier next year. In last year's Approved budget, Council offices filed 170 budget notes and amendments. The body ended up actually voting on only 41 of those. Prioritizing what would and wouldn't be taken up in the budget hearing was painful, and in some cases overshadowed the content of the legislation. It was a major goal for me to reduce the number of filed amendments, to protect time during the Approved Hearing for motions that had to be heard there, and to provide a clear framework for how I would prioritize hearing vs not hearing items due to time limits if needed.
- We also wanted to avoid issues we saw last year where amendments were made orally, and the budgetary impact analysis - or just the basic math involved - was being developed at the same time that Council was trying to debate the measure on its merits. To address this:
  - We set an expectation that budget notes would be saved for the Adopted hearing and told Council to not expect more than three to four motions per office to be able to be heard.
  - We set up a deadline for pre-filing for Budget Office feasibility review.
  - We signaled to Council that items that hadn't been reviewed for feasibility would not be prioritized during the approved hearings.
  - We determined to require any amendment made orally to be reduced to writing and reviewed by the Budget Office before being taken up.
  - We created a confidential, attorney-approved prioritization poll on pre-filed amendments, where all offices were invited to identify their top scheduling priority and to otherwise rate items on a ten point scale, to aid in ordering and prioritization as necessary.
  - We grouped proposed ideas by subject area, with larger ideas that would make smaller proposals moot ordered first.

  - We spread the Approved hearing across three days and held all testimony on the first day, to simplify access for the public, allow breaks for rest and adjustment, and avoid burnout to the extent possible.
- One thing that did not work as planned: we had hoped that Council would pre-file amendments to CBO on a rolling basis throughout the work session weeks, to avoid a work bottleneck at the end and to allow councilors to make their amendments public, if desired, further in advance. But basically, everybody filed at the deadline. I don't know if there's a way to solve for that - I think that next year, the right choice is to just be more realistic that, if there is a deadline, 95% of all filings will come in the last hour before that deadline.
- This resulted in a few tight turnarounds over the weekend when amendments were due. When Council revises the budget schedule for next cycle, it may be good to plan for a little extra time between the final work session, the pre-filing deadline, and the first budget hearing.
- In the bigger picture, I think the main hurdles still ahead of us are about how information is shared with Council and the public in the Proposed. There was not administrative capacity this cycle to build program offers for all bureaus, but those are desperately needed. As a councilor, when I look at the administrative budget decision packages, it is clear that the bureaus and the mayor have a massively higher degree of insight into the actual program workings in our government than is reflected in the Budget Book. That's a very clear, visible, information gap where the legislative branch doesn't have equal access to information and can't do its job.
- We will see some budget notes this cycle that try to fix these bottlenecks - but it's also clear that the administration needs capacity, and time, to overcome legacy practices and build resilient, fair systems for the budget process. I hope we can work together to get there."

**Follow up: Asked by Chair Matt Donahue:** What would a better budget development and adoption process look like, and how would roles and responsibilities change? Would you consider a biennial process?

  - **Councilor Jamie Dunphy** answered that they would not consider a biennial budget due to the sheer volume of annual changes, but they need to start the process even earlier. He intends to begin an after-action report immediately and start working on the next budget by fall to get ahead of the massive structural deficit, which is not looking much better for next year. Building the systems earlier will allow more input early in the process and give sufficient information to every member of council and the public.

**Follow-up: Asked by Commissioner Tod Burton:** Mentioned written testimony expressing concern over the amendment process at the end of the budget cycle and not enough time allowed for public review.

  - **Councilor Jamie Dunphy** agreed, stating the schedule felt crushing given the bleak situation and the amount of time spent learning about it. He acknowledged they simply ran out of time to meaningfully get it done, hoping it will improve next year.

**Follow-up: Asked by Vice Chair Rita Moore:** To what degree, if any, the current Oregon ethics rules around communication outside of public venue impacted your ability to coordinate especially the amendment process?

- **Councilor Jamie Dunphy** answered honestly that the serial meetings law from the Oregon Ethics Commission is "crippling" the body. He explained that the inability to know if there is broad consensus among the legislative body before a public process leads to moments of embarrassment, lost decorum, and conflict that could be avoided with collegial conversation. The inability to connect one-on-one to discuss support for ideas skips an enormous step of the legislative process and leads to wasted time for councilors, staff, and the public.

**Question 2: Asked by Commissioner Rita Moore:** Historically, the City Budget Office put together a budget review for every city bureau that outlined major fiscal and policy issues for the Mayor and Council to consider. Those reviews would, presumably, have identified the growing unappropriated fund balance in the Housing Bureau that has recently been in the news. Are those reviews still being done, and did they identify the issue? If they are not being done, when and why did they end and how will you ensure that similar irregular budgeting practices will not happen again?

- **Councilor Candace Avalos** answered: “My understanding is that the City Budget Office did stop doing the detailed bureau-level reviews during the charter transition. Over the past three budget development cycles, CBO has tried different approaches to adapting those bureau-specific reviews for the new form of government. These new approaches recognize that CBO’s role has changed now that it is no longer a formally independent office, and that bureaus develop their budgets with a more citywide approach under the new organizational structure.
- As CBO has shared, none of these approaches have fully landed on a permanent model yet, and they are continuing to work with the City Administrator, CFO, and Council leadership to determine what level of review and reporting will best meet the needs of Council under the new form of government. That said, my understanding is that the reviews of the past may not have identified these housing funds because they were unbudgeted and therefore not reflected in the adopted budget documents being reviewed.
- Second, on avoiding irregular budgeting practices moving forward. I think the most important takeaway here is ensuring that we have stronger processes and clearer expectations so both Council and the public have an accurate picture of available resources. There are likely multiple financial policy changes forthcoming in FY 2026-27 to ensure we avoid similar issues in the future.
- The change most directly connected to these previously unbudgeted housing funds is clarifying for budget managers citywide that all fund balances at the end of a fiscal year must be re-budgeted in the fall of the following fiscal year, along with establishing a process and expectation that ACFR ending fund balances are checked against adopted budgets for every City fund. CBO instructed bureaus to do this work this spring after the issue was identified, and I understand additional guidance will be issued over the summer to ensure this process is consistently followed during the FY 2026-27 Fall TAO.
- I support those efforts because regardless of how this issue occurred, we need financial systems that are transparent, consistent, and give policymakers the information they need to make informed decisions.”

**Question 3: Asked by Commissioner Erik Kvarsten:** In this budget we see FTE moved away from Bureaus and into a centralized system for HR, IT, and other administrative functions. What improvements in organization performance do you expect and what indicators will you use to evaluate the effectiveness of the change?

- **City Administrator Raymond Lee** answered: "We anticipate that the realignment will improve coordination, clarify responsibilities, create more consistent tools and processes, and make it more straightforward for bureaus and employees to access support. It will also improve our ability to rebalance support across the organization and more accurately request resource with an enterprise-wide lens moving forward. Under the old form of government, the city was very siloed with every bureau having its own HR and IT, creating a lot of duplication. Centralizing improves the ability to accurately request resources with an enterprise-wide lens and be more responsive." City Administrator Lee went on to emphasize they are committed to developing Key Performance Indicators (KPIs) through service level agreements between provider bureaus and customer bureaus. These will be tailored to specific services (such as technological rationalization, strategic sourcing cost savings, or average recruiting time for a vacancy) to identify the "North Star" of making the community better for Portlanders.

**Follow up: Asked by Commissioner Erik Kvarsten:** During the April City Council oversight hearing, CFO Biery stated that there was insufficient staffing to reliably ensure best practices in budgeting and financial management throughout the administration. Will this issue be resolved with the Core Services Realignment?

- **CFO Jonas Biery** answered that the historical underinvestment in budget and finance staff absolutely presents a risk, and the increased expectations post-charter change have further exposed those deficiencies publicly over the last 18 months. He stated he will continue to advocate to minimize lower-value efforts and increase investments in essential high-value financial functions. He clarified that the Core Services Realignment did not directly address budget and finance functions. This was largely due to insufficient bandwidth to maintain core financial requirements while simultaneously trying to undertake a realignment.
- The City Administrator recognized that realigning those functions for savings was unlikely to achieve meaningful results given current bandwidth. They are hopeful that completing realignment in other areas will provide a template and a little space for the budget and finance functions to breathe in the future.

**Follow-up: Asked by Commissioner Tod Burton:** Do you find some relief to the General Fund for the General Fund funded departments or bureaus once you bring more under centralized control?

- **City Administrator Raymond Lee** affirmed this is the intent, to be more efficient, effective, and economical. He plans to set up a team to evaluate predicted cost savings over the year. He cautioned that they must listen to community members to ensure they aren't "cutting our nose to spite our face" by reducing services in a way that hurts the customer experience.

**Follow-up: Asked by Commissioner Tod Burton:** Can you anticipate the same kind of analysis or similar analysis for the utilities, since they're supported by rates and charges that might provide some relief to ratepayers as well?

- **City Administrator Raymond Lee** answered yes, they will be going through a whole facility and rate study. He noted the city has not done itself favors by deferring maintenance over decades, and those costs are now "rearing their ugly heads". They are pulling on an asset manager to build a capital improvement program to balance maintaining aging infrastructure without putting Portlanders in a situation where they can no longer afford to live in the city.

**Follow-up: Asked by Chair Matt Donahue:** Would you mind just explaining what that Fall TAO process is? (In reference to **Councilor Candace Avalos'** answer to question 2)

- **CFO Jonas Biery** explained it stands for the Technical Adjustment Ordinance, which occurs typically in late October or early November. It serves two primary purposes: aligning budgeted fund balances to the actual ending fund balances from June 30th, and making mid-year adjustments for changing cost relationships and movement between funds.

**Question 4: Asked by Commissioner Will Terry:** There has been some public discussion regarding the size of administrative functions under the new structure. How do you respond to feedback that the new structure is management-heavy? And how does Portland's current span of control compare to similar-sized cities?

- **City Administrator Raymond Lee** answered that when comparing the structure to governments of similar scope and size, they are in line by having a City Administrator, Deputy City Administrator, and Bureau heads to ensure succession. He emphasized they are "building this plane and flying it at the same time"—maintaining day-to-day operations while trying to strategically correct things that did not work in the past. This level of transformation often requires a temporary expansion to ensure services don't fall between the cracks, with the intent of building a foundation for decades to come without keeping unnecessary bloat.

**Follow-up: Asked by Commissioner Will Terry:** Are there any concrete benchmarks or timelines that you're looking towards?

- **City Administrator Raymond Lee** stated the city hasn't been great at change management, so they are looking to add key positions next year dedicated to moving the organization forward. He noted you cannot ask staff to handle their day-to-day operations and simultaneously lead structural transformation.

- **Deputy City Administrator Tracy Warren** added detail from an HR span of control report: supervisory positions comprise 15% of the total workforce, while non-supervisory positions comprise 85%. Since 2020, supervisory positions grew 16% while non-supervisory grew 5%, reflecting a modest change in the position landscape. The city's current average span of control is 7.7 direct reports per supervisor (up from 6.5 in 1994), and only 8% of supervisory positions fall below the minimum requirement. She noted that literature indicates no single perfect target exists, as high-risk/complex functions require more supervision for accountability. Portland's span of control is comparable to peers: the State of Oregon ranges from 1:6 to 1:11, Multnomah County averages 1:9, and Metro's auditor reported a range of 1:5 to 1:7.

**Additional Follow-up: Asked by Commissioner Will Terry:** Did I hear you say that the target was a span of control ratio of 1:4?

- **DCA Tracy Warren** clarified that 1:4 is not a target, but rather a minimum requirement baseline; no one should be considered in a supervisory position without meeting that 1:4 requirement.

**Question 5: Asked by Commissioner Tod Burton:** Given the structural deficit in the General Fund, we know the mayor and council face a tough balancing act between protecting immediate programs versus preserving long-term financial stability by funding reserves and contingencies. At what point do you begin to risk the City's general obligation credit rating? Have you modeled where that threshold lies?

- **CFO Jonas Biery** answered that they closely monitor the financial condition using professional internal staff and an independent registered municipal advisor. He stated that the current approved budget remains within expectations to maintain the city's Triple-A General Obligation bond rating, but warned that flexibility is "waning." He noted that total General Fund reserve and contingency levels, using S&P calculations, have dropped from over 20% in FY23 down to around 15% recently, and are projected to be closer to 11% to 12% in FY27. To course correct, they have a budget note directing the reestablishment of a reserve specific to the volatile Business License Tax (BLT). Additionally, he is co-leading a financial stabilization workgroup alongside Councilors Green and Zimmerman to develop a recovery plan with recommendations by September.

**Follow up: Asked by Commissioner Tod Burton:** Portland has an adopted financial policy (FIN 2.04) that prohibits the use of one-time funding for ongoing programs. Yet it appears that practice has become more common in recent years. What proportion of the programs funded by this budget depend in whole or in part on one-time funding? How does that compare with trends over the last 10 years?

  - **Budget Director Ruth Levine** answered that while the reliance on one-time funds predates the pandemic, it was dramatically exacerbated by the influx of over $300 million in federal CARES/ARP dollars and high Business License Tax revenues during post-pandemic inflation. She noted that Portland is not alone in this, as local governments nationwide used these funds. The city built up a "fiscal cliff" that peaked at $220 million in FY22-23 and has been stepping down since. Moving into the FY27-28 budget, she estimates the cliff is currently at about $75 million. She emphasized the critical need to return to best practices by restricting one-time dollars to capital projects (addressing deferred maintenance) and specific pilot programs.

**Follow-up: Asked by Chair Matt Donahue:** Could you just maybe touch upon what would be the negative effects of a ratings downgrade of the city?

  - **CFO Jonas Biery** detailed three major impacts of a one-notch downgrade from AAA to

AA: 1) Future debt issuance would be 5 to 15 basis points more expensive, adding millions in direct costs forever. 2) Based on the current outstanding 20-30 year debt portfolio, they estimate a direct cost impact between $40 and $100 million. 3) Unpredictable negative impacts on fees charged by insurance agencies and contractors who use credit ratings to judge risk. He also noted the loss of the reputational benefit that local businesses and nonprofits gain by being located in a Triple-A city.

**Question 6: Asked by Chair Matt Donahue:** Looking across the entire budget, we see that closing the structural deficit required reductions across public safety functions. Some of these cuts are added back in the Approved Budget using reserve funds or repurposed dollars, but we wonder about next year. How do you reassure the public that you are taking a strategic and thoughtful approach to cuts, or renewed funding using reserves, in these areas?

- **Councilor Steve Novick** answered by comparing the situation not to flying a plane while building it, but "closer to riding a horse while rebuilding it." He expressed deep concern over the use of reserves, explicitly calling the drawdown of $2.5 million from the Business License Tax reserve "not a thoughtful decision" since it is intended to guard against a downturn. He noted that the Mayor's approach to cuts avoided laying off sworn officers or closing fire stations, which was geared toward protecting life safety, but he is concerned about cuts to medical rescue vehicle hours.

**Follow up: Asked by Chair Matt Donahue:** What is your message to community members who are worried that these combined reductions will noticeably degrade the city's responsiveness to crises?

- **Councilor Steve Novick** answered that there is concern specifically regarding cuts to the Fire Bureau rescue vehicles responding to medical emergencies. He pointed out that while there are efforts to restore those vehicles, they rely largely on one-time funds, which poses a severe financial risk. He stated he has a proposal to restore one rescue vehicle using an ongoing funding source: making a reduction in council office budgets.

**Follow-up: Asked by Vice Chair Moore:** Is there a plan to follow through on the idea that Portland Street Response would become a 24/7 operation?

- **Councilor Steve Novick** answered yes, that is the ultimate goal. He explained they have consulted with Bruce Goldberg, former head of the Oregon Health Authority, who advised that OHA could tweak a few billing codes to allow Medicaid to pay a bulk of the costs for Portland Street Response. They are currently figuring out a billing system for this to achieve 24/7 operations.

**Follow-up: Asked by Vice Chair Moore:** Does that apply to CHAT as well?

- **Councilor Steve Novick** answered yes, they are trying to secure that same Medicaid funding for CHAT.

**Follow-up: Asked by Vice Chair Rita Moore:** And how about in the fire department, their ambulance service, their paramedic service?

- **Councilor Steve Novick** answered that he had not thought of that, and didn't know if other jurisdictions bill Medicaid for general fire medical response, but stated it sounded like a "damn good idea to explore."

**Question 7: Asked by Vice Chair Rita Moore:** We have both a legal requirement to pay pension obligations for public safety retirees under the Fire and Police Disability and Retirement System (FPDR). We also have an obligation to ensure that the City – and other jurisdictions – have resources sufficient to serve younger generations. Are there any efforts planned or underway to get updated analyses of the Fire and Police Disability and Retirement system (FPDR)'s long term fiscal impact and explore ways to mitigate it? (*Editor's note: Context shared with staff when written questions were sent to the district: The Fire and Police Disability and Retirement (FPDR) system covers employees hired before 2007. Portland is one of only two U.S. jurisdictions still using a "pay-as-you-go" pension system like this. If the dedicated tax rate is no longer sufficient to fund annual costs, any FPDR costs not funded by the levy must be covered by the City's General Fund. In 2013, the City's independent auditor formally warned that rising FPDR obligations had concerning financial implications and liability risks.)*

- **Councilor Sameer Kanal** answered that "This is an issue which has been heading our way since before this Council, given our local property tax structure and the tax liability FPDR represents. The funding source is not working. We agree we need to fix the way we pay for the FPDR, but the fix is where it gets tricky. There is a need for a new funding source outside of the current model that can defray property taxes. There's a difference of opinion on what might be the most successful path forward. For example, the administration believes it is "unlikely that a meaningful alternative could be put in place prior to the naturally occurring stabilization of the annual levy requirement and natural future decline in the levy rate." It should be noted that around 40% of Portland's local property taxes will go to FPDR at that time and that Council has not yet discussed this matter. An initial discussion of FPDR is on the Committee of the Whole agenda to be scheduled in 2026. Without another approach like investment funding, we perpetuate intergenerational inequities, because we continue to saddle the newer generations with the financial burdens and decisions made by the older generations before young people could even vote and who weren't born yet."

**Follow-up: Asked by Vice Chair Rita Moore:** Are there plans afoot to do new analyses?

- **Councilor Sameer Kanal** clarified that while the last major large-scale research was 2013, the administration actually contracts for an independent review every two years with Milliman. The last one was June 2024, and the next one is due this summer (2026).

**Follow up: Asked by Commissioner Rita Moore:** FPDR's 5-member appointed volunteer Board of Trustees has the authority to increase property tax rates to cover annual costs, as well as to grant COLAs to members without ever returning to City Council or to voters for approval. The open-ended authority to raise taxes is unique within Oregon. Does FPDR's governance structure raise any concerns?

- **Councilor Sameer Kanal** Federal law requires tax-qualified pension plan funds to be held in a legally separate trust, overseen by one or more trustees with strict fiduciary responsibilities. The size and composition of FPDR's Board are dictated by City Charter. Three of the Board's five trustees are appointed by the Mayor and confirmed by City

Council. This includes the Board Chair and two citizen trustees, who must be residents of Portland and have relevant experience in pension or disability matters. The other two trustees are elected by the active sworn membership of the Police and Fire Bureaus respectively. While the FPDR Board approves the FPDR budget, City Council still levies the property tax required to fund that budget.

- This City Council has not yet discussed evaluating how FPDR's governance guarantees Portlanders a voice on the largest portion of their local property taxes, or what room there might be to improve. This is vital, because it's the place for the public to weigh in right now. The public was asked to weigh in on the Parks Levy, which went up from $0.80 to $1.40 per $1,000 – a $0.60 increase. The public does not directly weigh in on the FPDR levy, which is $3.19 per $1,000. This means that our structure creates a high bar for the FPDR Board to meet not only on stewardship, but in terms of ensuring public participation in this process.

**Question 8: Asked by Commissioner Erik Kvarsten:** Utility rates increase again in this year's budget, and we know the public can expect more increases in the future as the city works to fund infrastructure projects, such as the Bull Run Filtration Project. Could you please share the latest on the Filtration project? What is the estimated total cost to taxpayers, and what is the timeline for completion of the project?

- **Councilor Olivia Clark** emphasized that this is something the Council inherited. The total estimated cost for the filtration facility and associated pipelines is currently $2.56 billion, and the project is 30% complete. Due to 16 months of delay, the city received an extension on their Updated Bilateral Compliance Agreement from the OHA, moving the deadline to serve filtered water to September 30, 2029. She detailed that the 16-month delay consisted of nine months waiting for land-use permits from Multnomah County, and a seven-month suspension during prime construction season due to a Land Use Board of Appeals (LUBA) appeal. This delay alone added $450 million to the cost. Addressing public misinformation, she clarified that the original 2017 cost estimate of $500 million was purely conceptual, done before a site was selected, before detailed design, and before massive COVID market condition increases. The estimated rate increase this year is $10.20 a month (or $120 annually) for a single-family home. She noted the utility bureaus offer robust financial assistance tools, including bill discounts, crisis vouchers, monthly billing options, and a Clean River Rewards program offering a 35% stormwater discount.

**Follow-up: Asked by Commissioner Tod Burton:** Is that $10 a month combined rate for water and sewer?

- **Councilor Olivia Clark** affirmed that it is combined.

**Follow-up: Asked by Vice Chair Rita Moore:** Is there any effort, any appetite among local jurisdictions to collaborate on reforming the permitting process?

- **Councilor Olivia Clark** confirmed there is a lot of discussion among the twelve councilors and widespread agreement on the need to streamline permitting, though she noted the Bull Run issue was specific to the county land use and appeals process.

**Question 9: Asked by Commissioner Will Terry:** The city enjoyed high job growth and investment for many years, now it is on a sustained decline. What is the Mayor's and City Council's vision to reverse this trend, and what do you see as the barriers?

- **Councilor Elana Pirtle-Guiney** answered: "Thank you so much for the opportunity to talk about our city's economy, and high wage jobs, as it relates to this year's budget. Last year City Council made a number of investments to support small businesses in our City, including the addition of the Storefront Repair grants to the budget, which had been cut in the Mayor's Proposed.
- In this 2026-27 budget we saw the mayor make a sustained investment in that work, renewing the storefront repair grant program and expanding its application to storefront renovations, especially targeting new grocery stores and restaurants. Council has not only supported these investments, which remain in our budget, but has restored funds for workforce training and summer internships to ensure we have a ready workforce, and we expanded support for events, arts, and entertainment in our city, which drive our tourism economy. Where you saw some disagreement over investments in economic development last year there has been unified support for these investments in this year's budget.
- Your question gets at a concern that is larger than the budget, and I want to address that briefly. Restoring investment in our city will require a combination of small policies that show we are open for business, a clear commitment to addressing the concerns around safety and foot traffic that many businesses have raised, a clear policy on the types of businesses we are willing to invest in, and, frankly, time. This council has clearly committed to the first of these, with our SDC waiver, storefront repair grants, broader storefront support program, and other policies.
- We have spent substantial time this budget cycle looking for consensus on funding sources we could use to restore cuts to our public safety system, including restorations to violence prevention programs, Portland Street Response and fire response, street medicine through CHAT, and access to police services at our police precincts. We have invested in events that bring foot traffic to neighborhoods across the city and especially downtown.
- This work is often focused on entrepreneurial small businesses. We also need to focus on high-impact, high wage, and industries that create a significant number of jobs. The committee I chair, the City Life committee, will be discussing a number of ways we can support the growth of high wage jobs in our committee over the coming months.
- We cannot change time. But we can continue to approach the work, hopefully with a steady hand. This budget is another step in the right direction, and we will continue to take those steps to get our city back on track."

**Follow-up: Asked by Commissioner Will Terry:** What is the status of the SDC moratorium, and what impact has the removal of those been?

  - **Councilor Eric Zimmerman** answered that 1,720 out of the 5,000 eligible units initiated contact with the city to investigate eligibility and get into the queue over the three-year period.

**Additional Follow-up: by Commissioner Will Terry:** There's some trade off in suspending SDCs. How well has that trade off been going?

- **Councilor Eric Zimmerman** answered that "there's no trade off if nothing's getting built." He explained that while the city theoretically forgoes SDC capital funds, in reality, development had halted so no funds were coming in anyway. The moratorium was designed with maximum unit caps and sunsets to act as a "flash sale" intended to spur developers to get moving on stalled housing inventory rather than existing as a policy in perpetuity.

**Additional Follow-up: Asked by Commissioner Tod Burton***:* Can you comment a little bit about what work you're doing with relationship building with the business community?

- **Councilor Elana Pirtle-Guiney** cited the Mayor's central city task force bringing businesses together, grocery industry roundtables convened by the mayor and councilors aimed at eliminating food deserts to make the community livable, and the City Life committee bringing in diverse economic representatives for broad conversations to level-set and guide council direction.

## Closing Remarks

**Chair Matt Donahue** thanked the city council and staff for the conversation and their answers. He acknowledged written public comment received from Elizabeth Luthy and Ben Segal regarding the time for public opinion during the amendment process. He officially closed the budget hearing and opened a regular business meeting for the TSCC.

## Staff Recommendations & Certification

**TSCC Executive Director, Allegra Willhite** thanked city staff for their diligent partnership and approach to the budget process. She reported that the TSCC staff found the budget estimates to be reasonable and in substantial compliance with budget law. However, she stated a recommendation regarding data errors: for the past three years, the city's published proposed budget has contained out-of-balance funds due to errors in published data. While the city corrected these errors prior to final adoption, staff formally recommended that the city implement enhanced internal quality control checks to verify prior year actuals and other budget data before publishing future proposed budgets.

## Vote to Certify

- A motion was made by Chair Matt Donahue to authorize the commission to sign the certification letter as recommended by staff.
- Commissioner Burton seconded the motion.
- All commissioners present voted "Aye".
- City of Portland's 2026-27 approved budget was certified by the TSCC.

There being no other business, Chair Matt Donahue closed the meeting.

*Google Notebook LM was used to generate the transcript referenced above. The content was reviewed and edited before being published by Brittanie Abayare, on 6/23/2026.*