



April 29, 2020

Madam Auditor,

The Hearings Office plays an important role as a check on City power. As such, the independence of that office is critical to ensure its impartiality and maintain public trust. Consequently, this Council was surprised and disappointed by your announcement that you had decided to “withdraw your consent” from housing the Hearing’s Office within the Auditor’s Office, where it has appropriately, and without issue, resided for decades.

After receiving your letter, we investigated options for a new home for the Hearings Office, including the Office of Management and Finance. Unfortunately, those options came with serious administrative and/or legal impediments, which made them ill-suited for the Hearings Office. Setting the City up for new legal challenges and justifiably critical, but nonetheless damaging, audits as a result of moving the Office to an inappropriate place would not be in the best interest of those we are all elected to serve.

It is clear to us that the most prudent course of action is to request that the Charter Review Commission take up the critical question and put a proposed solution up to a vote of Portlanders. We are therefore requesting that you reconsider overseeing the office until the Charter Review Commission, which will be empaneled this year, has had a chance to consider this issue.

We also want to recognize that your objection to continuing to oversee the Office is based on your concern that the Office is underfunded. In response to this assertion, we reviewed the budgets from the past few years. Since the FY 15-16 budget process, your office has made 3 requests for funding related to the Hearings Office:

- In FY 15-16, your office requested and Council approved \$56,088 in one-time funds to offset fees charged to residents for appeals.
- In FY 16-17, your office proposed swapping \$300,000 in fee revenue with General Fund resources. The Council approved a hybrid approach, providing \$100,000 in ongoing General Fund resources and directing BDS, PBOT, and Police to make fixed rate interagency payments to the Hearings Office.
- In FY 19-20, your office requested \$99,113 and 0.5 FTE in order to convert the part-time Hearings Officer to full-time. Council did not fund the request, in part because of the reductions in total caseload that the Office has seen over the past few years.

These requests do not indicate that you have a fundamental challenge sufficiently resourcing this function within existing resources.

Between FY 16-17 and FY 18-19, the Auditor's Office has averaged \$396,925 in underspending every year. This year, we understand that you are projected to have well over \$500,000 in underspending. We do not have any indication that your Office is under any financial strain as a result of having the Hearings Office in your portfolio.

Please consider our request to continue overseeing the Hearings Office in the short term until the Charter Review Commission can assist in formulating the best strategy for this critical office.

Sincerely,

City Council