



May 4, 2016

To: Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman

cc: City Attorney Tracy Reeve  
City Budget Director Andrew Scott

From: City Auditor Mary Hull Caballero

Subject: Withdrawing consent to administer the Hearings Office

Section 2-504 of City Charter's Article 5 requires the Auditor's consent for Council to assign duties to the Auditor's Office. The Mayor's proposed budget does not adequately address the perennial funding problems with the Hearings Office, so I am withdrawing consent for my office to administer it, effective June 30, 2016.

The Hearings Office meets the criteria for funding as General Fund Overhead in Financial Policy 2.08, notably because it is as an oversight function that provides a City-wide benefit. The amount of General Funds provided in the Mayor's budget does not cover its operating costs. The proposed budget makes up the difference with interagency agreements that are not transparent reflections of the costs for services provided, and, therefore, do not seem to comply with City policy. The proposed budget also fails to take into account rapidly decreasing outside revenue from an intergovernmental agreement with TriMet to provide hearings. As I said at the budget work session, these conditions are untenable for the Auditor's Office.

Circumstances require that I provide this notice immediately. Long-time Hearings Officer Greg Frank is retiring Aug. 2, and the recruitment for his replacement is underway. Interviews with the top five candidates are scheduled for next week. One of the two Hearings Clerks announced yesterday that she is leaving her position May 17, so a decision will need to be made whether to replace her. It would be unwise to fill these positions until the City decides if it plans to maintain a Hearings Office in its current configuration of three full-time and one part-time employees. We consider that to be a minimum staffing level to cover the caseload.

City Council needs to develop a transition plan and assign someone to manage it. My staff and I are available to help, but the process must be expedited.

