



November 12, 2015

To: Commissioner Nick Fish  
Members of the Portland Utility Board (PUB)  
City Budget Office

From: Janice Thompson, Consumer Advocate for Portland Public Utilities  
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Re: CUB Recommends Two City Council Utility Oversight Accountability Measures

**Background - Accountability Measures for City Council Engagement with Utility Oversight Partners**

In the past the City Council has not always heeded input from its utility bureau oversight group. For this reason, the Utility Oversight Blue Ribbon Commission stressed the importance of the City Council establishing new accountability measures to demonstrate its engagement and partnership with the PUB. The Blue Ribbon Commission also recommended continuing CUB's role as an outside oversight advocate. The PUB ordinance highlights City Council getting input from both PUB and CUB, but it is essential that the City Council take tangible steps that demonstrate its commitment to Portland's new and improved utility oversight system.

CUB has two recommendations for the City Council's timely and engaged compliance with the PUB ordinance and the Blue Ribbon Commission recommendations in regard to oversight of Portland Water Bureau (PWB) and Bureau of Environmental Services (BES) budgets for fiscal year 2016-17.

This memo is directed to Commissioner Nick Fish since as commissioner-in-charge of the utility bureaus he is the City Council member who is best positioned to advocate for City Council accountability recommendations from CUB that are outlined below. This memo is also addressed to the PUB to provide background regarding the fiscal year 2016-17 budget oversight process to facilitate their input on the budget development calendar. It will also be sent to the City Budget Office that works with the City Council on establishing the budget process calendar.

**CUB's Recommendations for City Council Accountability Measures in Fiscal Year 2016-17 Budget Process**

CUB has two recommendations related to review and input by the public, CUB, and PUB on PWB and BES budgets and oversight of City Council budget and rate decisions.

**1) City Council work sessions on requested BES and PWB budgets must involve both PUB and CUB with opportunities for presentations and discussions about the proposed budgets.**

The timing for these work sessions should be late March or early April before development of the Mayor's budget but with the exact timing linked to providing enough time for CUB and PUB to review the City Budget Office (CBO) reports for the City Council analyzing the requested utility bureau budgets and other work session preparation.

In the proposed 2016-17 budget calendar, for example, the requested budgets are due on February 1st, the CBO reports to the City Council on requested bureau budgets are due on March 7<sup>th</sup>, budget work sessions are scheduled to occur between March 15-31, and the Mayor's budget is to be released on April 28<sup>th</sup>. The utility bureau budget work sessions should occur late in that March 15-31 window or even in early April to ensure adequate time for CUB and PUB to review the CBO reports. Another factor in determining 2016 timelines is ensuring that PUB meeting(s) occur between key steps. For example, a possible PUB meeting schedule could include a session after February 1<sup>st</sup> on utility bureau budgets, particularly any items inconsistent with possible PUB recommendations; a briefing on the CBO reports after

March 7<sup>th</sup>; and a meeting of the full PUB or bureau specific subcommittees to prepare for utility bureau budget sessions held in late March or early April.

**2) A ten minute time window (or two five minute time slots) should be allotted for public testimony on utility bureau budgets at each of the two community budget forums.**

These budget meetings are typically called forums since they are not hearings required under state budget law but are valued opportunities for public input. These community budget forums are typically three hour evening sessions managed by professional facilitators and held at non-City Hall sites. These forums cover the entire budget but seem to have a general fund focus with public comment limited to two or three minutes. The order of testimony at these community budget forums is typically determined by random selection of a potential testifier's number and time limitations sometimes means that not all interested testifiers are called upon to provide their input. There is some invited testimony, but even those testifiers are not given time to provide detailed input. Discussion between City Council members and testifiers is relatively rare.

The time limitations of the community budget forums described above and political dynamics contributed to holding professionally facilitated evening forums that focused solely on utility bureau budgets in March of 2014 and 2015 in Parkrose and NW Portland. Much of the discussion in 2014 focused on an upcoming ballot measure that would have removed the City Council from management of the utility bureaus and there was minimal public testimony at the March 2015 forum. In 2015, testimony was provided by the Public Utility Review Board and CUB but without the opportunity for details and discussion which is why recommendation #1 is critically important.

Recommendation #2 can be considered a continued demonstration of City Council commitment for public input opportunities focused on the utility bureau budgets, but takes a more cost effective approach compared to the March 2014 and 2015 utility budget forums. It may seem inappropriate to only provide a dedicated time slot for utility bureau testimony, but it is an experimental approach that illustrates the City Council's commitment to public utility oversight albeit in a more time efficient and targeted manner. CUB and the PUB may testify during the utility segment of the community budget forums and such testimony could facilitate preparation for utility bureau budget work sessions and development of the Mayor's budget. CUB involvement in these community budget forums would likely emphasize input from CUB members.

**CUB Observation on Proposed Timing of Community Budget Forums**

In the proposed budget calendar the community budget forums are on April 5<sup>th</sup> and 12<sup>th</sup> which would be before the Mayor's budget is expected to be released on April 28<sup>th</sup>. Providing public input opportunities on both proposed bureau budgets and the mayor's budget proposal would be facilitated by holding one of the community budget forums in early May. This revised timing obviously affects public input opportunities for all bureaus and input on this timing adjustment may be beyond the purview of Commissioner Fish to whom this memo is targeted. Relatively speaking it does seem more important to provide the earliest possible public input on budget development and undoubtedly scheduling these forums is very challenging. CUB shares this observation about the pre-Mayor's budget proposal timing of both community budget forums, however, since holding one of these forums later would facilitate public input on the utility bureau budgets within the Mayor's budget proposal.

**Sole Reliance on May Utility Rate Review is Not Appropriate**

The May utility rate review (an initial hearing followed by a second reading) should not serve as the sole opportunity for targeted utility bureau input from the public, CUB, and PUB. By then the budgets and rates are getting firm enough that changes cannot be made with adequate transparency and oversight.

**Conclusion**

This memo is informational to the PUB and the City Budget Office. This memo is a request to Commissioner Fish and CUB strongly urges that the City Council demonstrate its commitment to the new utility oversight system by adopting these recommendations. CUB, however, recognizes that future adjustments may be needed as all partners work together on the evolving dynamics of public utility oversight in Portland.