



Commissioner Nick Fish
City of Portland

DATE: October 24, 2016

TO: Director Michael Stuhr
Director Michael Jordan

CC Allan Warman, Co-Chair, Portland Utility Board
Kendra Smith, Co-Chair, Portland Utility Board
Cecelia Huynh
Jonas Biery

FROM: Commissioner Nick Fish *MF*

SUBJECT: FY 2017-18 Budget Guidance

As we begin the FY 2017-18 budget process, I want to thank you and your teams for your good work over the last year. You have hired two dynamic leaders to fill the newly-created Deputy Director positions, strengthened relationships with the Portland Utility Board (PUB), and made strides in upgrading our aging infrastructure.

The Mayor's budget guidance directs most General Fund bureaus to propose 5% reductions, and asks public safety bureaus to propose 2% reductions. Additionally, a core principle of the City Budget Office's budget guidance is maintaining and upgrading critical infrastructure. While General Fund guidance does not apply to the utility bureaus, your requested budgets should demonstrate our commitment to running the bureaus efficiently and economically, with a continued focus on strengthening our infrastructure.

Below please find my budget direction for the coming year.

- I expect that any proposed combined rate increase will reflect good value at a fair price by delivering utility services in a cost-effective manner.
- Both bureaus shall continue to fully support the Portland Utility Board, and partner with the Citizens' Utility Board of Oregon (CUB) in their budget review roles.
- In coordination with the City Budget Office, PUB, and Citizens' Utility Board of Oregon, you will be asked to present your combined rate proposal to the Council.

Thank you for your continuing commitment to delivering excellent services at a fair price to our customers.