



Commissioner Nick Fish
City of Portland

DATE: November 20, 2017

TO: Director Michael Jordan, Bureau of Environmental Services
Director Michael Stuhr, Portland Water Bureau

CC Mayor Ted Wheeler
Andrew Scott, City Budget Director
Colleen Johnson, Co-Chair, Portland Utility Board
Allan Warman, Co-Chair, Portland Utility Board
Janice Thompson, Citizens' Utility Board of Oregon

FROM: Commissioner Nick Fish *NF*

SUBJECT: FY 2018-19 Budget Guidance

As we begin the FY 2018-19 budget process, I want to thank you and your teams for your good work over the last year. You have made progress upgrading our aging infrastructure and moving toward a more resilient system.

The Mayor's budget guidance directs the utility bureaus to identify efficiencies to limit rate increases and asks the bureaus to work with the Citizens' Utility Board of Oregon and Portland Utility Board to develop prioritized reduction packages for Council consideration.

Your requested budgets should demonstrate our commitment to running the bureaus efficiently, economically and equitably, with a continued focus on strengthening our infrastructure and supporting our workforce.

In your requested budgets I expect that you will:

- Reflect good value at a fair price in any proposal for a rate increase. As in recent years, the proposed combined retail rate increase shall be below 5%.
- Continue looking for ways to deliver utility services in a cost-effective manner while prioritizing your investments in high-need areas.
- Optimize and enhance your discount programs to lessen the impact of utility costs on low-income customers.
- Ensure that necessary resources are dedicated to full implementation of bureau-wide strategic plans, including priority equity initiatives.
- Explain how any requests for additional staff will support our shared goal of effectively and efficiently delivering high-quality services to our customers.

As in years past, I expect that you will continue to fully support the Portland Utility Board, and partner with the Citizens' Utility Board of Oregon (CUB), in their budget review roles.

Also as in previous years, you will be asked to present your requested budgets to the Council in coordination with the City Budget Office, PUB, and CUB.

Thank you.