

The Oregonian

Portland mayor proposes bite out of the city watchdog's budget: Editorial valley

*By The Oregonian Editorial Board
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In the past year, the Portland city auditor has documented how the city's arts tax has fallen short of its promises, detailed the flabby oversight of city technology projects and questioned the random process through which city commissioners authorize millions of dollars worth of noncompetitive grants to nonprofits and other contractors.

Happily for city programs that dread such scrutiny, the mayor's proposed budget slices money from the budget for City Auditor Mary Hull Caballero. If commissioners approve the budget, the loss of \$200,000, mostly from the audits arm of the office, would likely lead to two fewer audits.

You could perhaps argue that tough times call for tough decisions. But you would be ignoring that the city has record revenue to spend in the coming year. You would also be ignoring that Caballero is an independently elected city official and is the only one of the six elected positions being asked to take cuts, as Willamette Week's Beth Slovic reported. And you would be ignoring the difficult and often contentious role that she and her staff members often take on in fulfilling their duties to evaluate the financial and programmatic performance of city bureaus.

The other city commissioners should recognize the value of these audits, not just in providing recommendations for improving efficiency, but in shoring up the public's faith that city government operates openly and with accountability. Cutting back oversight never looks good.

Willamette Week

Amid Record Revenue, Portland Mayor Charlie Hales Proposes Cuts to City Watchdog

*By Beth Slovic
May 4, 2016*

Lost, perhaps, amid the controversy of Mayor Charlie Hales' proposal Monday to raise taxes on Portland businesses and the hullabaloo over record city revenue that brings the city's 2016-17 budget to \$510 million, was this fact: To redirect money to Hales' priorities, the mayor wants to make cuts in city government.

And those proposed cuts hit just one of the six elected officials at Portland City Hall—Portland's watchdog, City Auditor Mary Hull Caballero.

A spokeswoman for Hales, Sara Hottman, says the mayor is proposing to cut 5 percent from Caballero's budget for city audits, because analysts in the budget office decided "the division could absorb the workload without a significant loss of productivity."

Caballero says the \$200,000 cut in her office, including the \$120,000 cut in the audit services division, will reduce the number of audits her office can perform annually from 12 to 10. And she's not pleased.

The other elected officials took no cuts in their budgets under Hales' proposal, although Commissioner Amanda Fritz has said she will offer them up anyway. Mayor Hales, meanwhile, is proposing to spend \$200,000 in general fund money on the proposed James Beard Public Market, a project of his former chief of staff who died in December.

The auditor's office, Caballero says, "is having its budget cut by the very people we hold accountable, and those are the same people who exempted themselves from cuts. Somewhere along the way, the auditor's office has come to be treated as just another bureau and it's not just another bureau."

Caballero doesn't get to vote on Hales' budget. But the mayor needs two others to pass it.

At a March 31 work session to talk about the auditor's budget, Commissioner Nick Fish hinted at his thinking.

"Of course we're not going to take a cut that reduces the ability to do audits of us," Fish told colleagues. "It's not good policy, and it would look terrible in a headline."

The Daily Journal of Commerce

Portland City Council may soon approve diesel tax

By Garrett Andrews

May 6, 2016

The May 17 ballot for Portland voters will ask them whether to approve a 10-cent gas tax to pay for repairs and maintenance of city streets. But left out of the equation is how to charge the diesel fuel users – a hole the City Council is now looking to shore up.

The problem revolves around one fact: Portland has only one truck stop company, Jubitz, and it's believed that if Portland taxed diesel at the point of sale, heavy truck drivers would avoid filling up at Jubitz once they learned of the tax.

Groups opposed to the gas tax have argued that by omitting diesel, the city is leaving millions of dollars in revenue on the table.

"It's important to let Portland voters know that we are not letting heavy trucks off the hook," Novick said at Wednesday's council meeting.

Ultimately, the hearing was placed on hold until next week, when the diesel tax ordinance will be given a second reading and City Council may choose to give final approval. Two amendments

were passed Wednesday; the first requires the Portland Bureau of Transportation and Bureau of Revenue to return before City Council in August with options for an appeals process. The second directs the same bureaus to return before the council after all heavy trucks are fitted with GPS devices – a national move expected to come in the next few years.

Representatives of the freight industry complained at Wednesday's meeting that the tax is unfair. It would charge 2.8 percent of a company's weight-mile tax charged by the state. Big companies that only minimally use Portland city streets would still be hit with large charges.

"Currently, trucks already pay for the wear and tear on the roads, and that's the weight and mile tax," said Pia Welch, a project engineering specialist at FedEx Express and a member of the Portland Freight Committee.

PBOT has figured that around \$18 million per year is needed to address the critical condition of city streets. The cost responsibility for diesel users has been figured to be around 13 percent, based primarily on miles driven in city limits. Assuming that the gas tax is approved by voters, drivers of light vehicles would pay 86.7 percent of the needed amount through the gas tax (\$16 million per year), and drivers of diesel vehicles would pay about \$2.5 million per year.

Both the gas and diesel taxes would be temporary, and sunset after four years.

Portland is the freight hub of the Pacific Northwest, and the need for modern infrastructure is greater now than ever before, said Robert McCullough, a board member of the Southeast Uplift Neighborhood Coalition.

"The equity issue is not perfect, but it's about as fair as it's going to get," he said. "There is no perfect answer to the equity question. Frankly, if it were up to me, I'd ask for higher taxes for both cars and trucks because we have a big problem in front of us."

The tax will be calculated based on a company's statewide weight-mile taxes. An estimated rate of 2.8 percent would generate that amount.

PBOT estimates 85 percent of businesses would pay an average of \$15 per month. But a smaller number of businesses accounting for far more heavy truck activity would pay an average of \$500 per month.

The heavy vehicle use tax would apply to businesses that have a Portland business license and also pay the state weight-mile tax.

Other taxes were considered by the city's Transportation Needs and Funding Advisory Committee. The group sought to charge only businesses that conduct some business in Portland, and not businesses that merely pass through, said Novick, who oversees PBOT.

"I think that it is very important for us to pass this legislation immediately," he said.