



Commissioner Nick Fish
City of Portland

DATE: December 1, 2015

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

CC: Mayor Charlie Hales
Andrew Scott, City Budget Director
Jonas Biery, Bureau of Environmental Services
Cecelia Huynh, Portland Water Bureau

FROM: Commissioner Nick Fish *NF*

SUBJECT: FY 2016-17 Budget Guidance

As we begin the FY 2016-17 budget process, I want to thank you and your teams for your hard work and dedication during this year of leadership transitions.

In recognition of the affordability crisis in our community, the Mayor's budget guidance directs General Fund bureaus to propose 5% reductions. Those reductions will allow the Council to dedicate additional funds to the housing state of emergency and to ensure that funding is available to support core City services.

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.

Below please find my budget direction for the coming year.

- I expect that any proposed combined rate increase will be below 5%, and **within the range of what we adopted last year.**
- Both bureaus shall continue **to fully support the Portland Utility Board (PUB)** in its budget review role.
- **While I will not ask for cuts to operating budgets,** I expect you to continue to look for ways of delivering utility services in a cost effective manner.
- In coordination with the City Budget Office (CBO), the PUB, and the Citizens Utility Board (CUB), you will be asked to **present your combined rate proposal to the Council.**

Thank you for your continuing commitment to deliver excellent services at a fair price to our ratepayers.