



April 21, 2025 Finance Committee Agenda

City Hall, Council Chambers, 2nd Floor – 1221 SW Fourth Avenue, Portland, OR 97204

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Questions may be directed to councilclerk@portlandoregon.gov

Monday, April 21, 2025 12:00 pm

Session Status: Adjourned

Committee in Attendance:

Council President Elana Pirtle-Guiney, Vice Chair

Councilor Steve Novick

Councilor Mitch Green

Councilor Candace Avalos

Councilor Eric Zimmerman, Chair

Councilor Zimmerman presided until he left at 12:57 p.m. and then Councilor Pirtle-Guiney presided.

Officers in attendance: Rebecca Dobert, Acting Council Clerk

Committee adjourned at 1:13 p.m.

Regular Agenda

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[Discuss proposal regarding additional revenue to protect vital services](#) (Presentation)

Document number: 2025-165

Introduced by: Councilor Steve Novick

Time requested: 1 hour

Council action: Placed on File

Portland City Council, Finance Committee

April 21, 2025 - 12:00 p.m.

Speaker List

Name	Title	Document Number
Eric Zimmerman	Councilor, Committee Chair	
Rebecca Dobert	Council Clerk	
Elana Pirtle-Guiney	Council President, Vice Committee Chair	
Steve Novick	Councilor	
Mitch Green	Councilor	
Candace Avalos	Councilor	
Christopher Herr	Council Policy Analyst	
Ruth Levine	Director, City Budget Office	2025-165
Thomas Lannom	Director, Revenue Division	2025-165

Portland City Council Committee Meeting Closed Caption File

April 21, 2025 – 12:00 p.m.

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

Speaker: Good afternoon. I'm going to call the meeting of the finance committee to order. It's Monday, April 21st at 1201. Clerk, can you please call the roll?

Speaker: Pirtle-guiney here.

Speaker: Novick here. Green. Here. Avalos. Present. Zimmermann.

Speaker: Here. Christopher. If you could read the statement of conduct, please.

Speaker: Welcome to the meeting of the finance committee. To testify before this

committee in person or virtually. You must sign up in advance on the committee

agenda at ww. Gov agenda, finance committee or by calling 311. Information on

engaging with the committee can be found at this link. Registration for virtual

testimony closes one hour prior to the meeting. In person. Testifiers must sign up

before the agenda item is heard. If public testimony will be taken on an item,

individuals may testify for three minutes unless the chair states otherwise, your

microphone will be muted when your time is over, the chair preserves order.

Disruptive conduct such as shouting. Refusing to conclude your testimony when

your time is up or or interrupting others testimony or committee deliberations will

not be allowed. If you cause a disruption, a warning will be given. Further disruption

will result in ejection from the meeting. Anyone who fails to leave once ejected is

subject to arrest for trespass. Additionally, the committee may take a short recess

and recover and reconvene virtually. Your testimony should address the matter

being considered. When testifying, state your name for the record. If you are a lobbyist, identify the organization you represent. Virtual testifier should unmute themselves when the clerk calls your name. Thank you.

Speaker: Great colleagues. We're going to hear a presentation from councilor, novick and team. And then depending on the time of this meeting, I will have to step away. And I will hand the gavel to the vice chair for the meeting if it runs long. And with that clerk, if you could read item number one and we'll hand it over to mr. Novick.

Speaker: Discuss proposal regarding additional revenue to protect vital services.

Speaker: Take it away. Councilor.

Speaker: Thank you, mr. Chairman. So we do have slides. We'll get to those. But I wanted to make some preliminary remarks. We, as everybody knows, have a budget deficit and we actually have several deficits in different bureaus. But we have a deficit in the general fund, which overwhelmingly goes to police, fire and other public safety programs, parks and homeless services. I am not particularly excited about making deep cuts in any of those things. And that's one of the reasons I started thinking about looking for ways to raise revenue. I suspect that most of my colleagues aren't excited about making cuts in those things either. And I actually have a real concern that we might wind up rubber stamping the mayor's budget, because when the mayor's budget comes out, some people will be upset in some ways, some people will be upset in others. We'll have very limited time to try to come to consensus on on additions and subtractions. And I worry that we might have just saying the simplest thing to do is just approve the mayor's budget. It changes the dynamic. If we have additional revenue to work with and make it, you'll make it easier to come to consensus, along with, I think, being the right thing to do, because I don't think we should be making deep cuts in police, fire, parks or

homeless services. And there's other things that worry me, too. The Portland bureau of emergency management barely exists and is threatened by sort of a federal loyalty oath thing that they're probably going to be asked, asked to take, to swear fealty to the trump administration priorities. Another thing that worries me is that we're going to be slashing our permitting bureau, which will make it very difficult to deal with our housing crisis. And historically, the general fund contributed, I think, 5 million a year to that. So even aside from police, fire, parks and homeless services, there's reasons to think about additional revenue. I came up with a particular additional revenue source to talk about. I'm open to hearing about others. This is just the one that came to my mind, and for various reasons, I thought it was worth presenting. First slide. This is the first slide. Second.

Speaker: If we could. I'm just going to check in with councilor. You have your hand up.

Speaker: Oh, sorry.

Speaker: Okay. Thank you. Please proceed.

Speaker: So, to recite things we already know. The current budget deficit. And I realize deficit. This case includes the mayor's proposed \$28 million, which some people think should be counted as deficit. But let's assume for the sake of argument, as of February 28th, we thought we had a \$92.8 million deficit, including a \$20 million plus revenue gap based on previous forecasts. Adjusting for 40 million expiring one time funding, mostly directed towards homeless services and public safety. 28 million for mayor wilson's overnight and day shelter plan and other various costs since the February 20th 28 forecast. Actually, contemporaneously, the city administrator has recommended using 8.7 million in interest from the sf fund, which I frankly am somewhat uncomfortable with. But let's assume for the sake of argument that we go along with that. And metro has pledged 15 million towards

the general fund, which would reduce our total funding gap to, I mean, I'm sorry, 15 million towards the mayor's shelters plan. Sorry. Which would reduce the total funding gap to 59 million. 59 million is still a big chunk of money. Next slide. So in thinking about revenue options, one thing that came to mind is to use the same taxing mechanism that we use, the Portland clean energy fund. A mechanism that was adopted by over 60% of Portland voters in 2018. As you know, pcef was designed to address climate change and environmental justice. It's funded through a 1% gross receipts tax on giant corporations that make \$1 billion nationally, at least 500,000 in the Portland area. The fund is estimated to raise one point this. This is an important for other reasons. The fund is estimated to raise 1.7 billion through 2029. Almost all of these funds are currently allocated through 2029, with about 46% allocated to city bureaus. Next slide. To reiterate my what I said about my personal feelings about an all cuts budget. We have heard from the public in various ways that they're probably not that excited about an all cuts budget, either. The city administrators proposal on the 28th of February focused on a lot of cuts on parks and rec, particularly rec, and we heard a lot of people saying they didn't like those cuts in our budget listening sessions. There was a recent poll that showed 31% of Portlanders said parks are their favorite feature of the city. We suspect cuts to police by our homeless services. Additional cuts to parks program would also not be acceptable. As to homeless services, there was a recent poll by the Oregonian that said that 63% of Portlanders have a negative outlook on the central city because of homelessness and safety concerns. I don't think that we can change our trajectory from doom to boom by cutting services. Cutting homeless services will only exacerbate the current crisis. Public safety continues to be a priority for Portlanders and business owners, and cutting parks programing will only hurt Portlanders and make the city less appealing to live in. And that's not good for the

economy either. Next slide. Now, the only alternative that I've heard, frankly, from other councilors to raising new revenue. The only alternative to an all cuts budget is the idea of using pcef funds to help balance the budget. In particular, I've had two fellow councilors suggest that we should start using pcef funds to pay for outdoor parks maintenance. Well, the idea of using pcef funds to fix the budget crisis. Fix the budget crisis is not new. Mayor Wheeler proposed using psa funds previously, and the council has authorized pcef interest to fill the budget gaps. Also, I should note that not only some fellow councilors, but some people at the listening session said, why don't you just balance the budget using pcef funds? We're already we're already doing a lot of that, which I will elaborate on in a minute, more than I'm comfortable with, frankly. And I think that dipping into the current pcef funds of about 200 million a year to help balance our budget. Would be unacceptable. It would reduce funding for climate and environmental justice projects for low income Portlanders and communities of color. Since most of the money has already been allocated, we'd have to take away funding from grants, programs and projects that were already allocated. I think that it would be inconsistent with the will of the voters who passed the pcep ballot measure in 2018 not to maintain the status quo, but to improve our efforts to reduce carbon emissions and shield vulnerable communities the worst effects of climate change, and make sure they participate in what we hope will be a new clean energy economy. And it would prevent Portlanders further dipping into pcef to maintain current services would prevent us from meeting our emissions goals and being a beacon to other cities and climate issues. So again, I concluded that we need to look at other potential revenue sources. Next slide. Oh, by the way, just just an elaboration on what I just said. This is how much money city bureaus are already getting from pcef. Parks is getting a big chunk over the next five years. Next slide. So the proposal that I

wanted to put on the table, and by the way, I'm not going to try to make a hard sell today. I wanted to put an idea on the table. The proposal would increase the current surcharge on giant retailers from 1% to 1.33%. Again, that only affects corporations with at least 1 billion in annual revenue and half a million in sales in Portland. Only one only 1% of these companies, according to the revenue, are headquartered in Portland. Although the proposal uses the same tax mechanism as sf, the additional revenue would be directed towards the general fund, and pcef would keep its 1% its \$200 million a year. Groceries, pharmaceuticals and some other necessities are affected by the current sf surcharge. They would be. They wouldn't be. Taxed under this increase either. Now. I said before that the fact that 60% of voters approve over 60% of voters approve the pcef tax in 2018 suggests that maybe voters would be amenable to using the same mechanism for helping us to address our budget shortfall. Well, recently, councilor pirtle-guiney and I commissioned a poll of Portlanders on the choices facing us, asking a lot of questions about trade offs. And we got the top lines of that poll back. The other day. The results are very interesting. The pollsters writing up a memo. And we will release the entire poll on Wednesday morning. But just as a preview, I wanted to tell you that I did want to ask the question after we discussed the cuts that we are considering in council and the mayor is considering. There's a proposal to add 0.33% to this 1% tax giant retailers pay. That would be enough to address a lot of these cuts. Would you support or oppose that proposal? And 69% of people said that as an alternative to the kind of cuts that we are considering, they would prefer to adopt a tax of this nature. Next slide. We also are proposing a tax break for small businesses. Currently there's an exemption to the business license tax, which is only \$50,000. We're proposing and by the way, when I say we I neglected to add that councilor morillo and councilor dunphy are my co-sponsors on this measure,

and this item is one that we're all interested in. Councilor dunphy is particularly passionate about raising the business license exemption from \$50,000 to \$100,000, which is consistent with what Multnomah County is. This change would provide tax relief to over 9300 small businesses in the city. It would decrease our tax revenue by around \$3 million, according to the city economist. Next slide. I want to be clear. I don't want to get into a discussion of legal issues surrounding this proposal. I think that discussions about legal issues should take place with the city attorney behind closed doors, so that we don't violate attorney client privilege. I did want to make a couple of preliminary factual points. Does the city can the City Council amend existing taxes? Well, we have before. In 2016. I was the prime sponsor of a change to the business license tax, which says that companies that pay their ceos more than 100 times what they pay their typical worker, pay a surcharge on the business license tax. They pay more than they would if they weren't paying their ceos. Sometimes those amounts of money. So we passed that. That's been in law for the past eight years. I also wanted to note that although Portland and other cities in Oregon are preempted from creating new corporate activity taxes by the student success act passed in 2019, that does allow for amendments to the existing taxes. Specifically, the preemption clause does not apply, quote, to any tax or to subsequent amendments of the provisions of any tax. If the ordinance or other law imposing the tax is in effect, an operative on April 1st, 2019, or is adopted by initiative or referendum petition at an election held prior to March 1st, 2019. And of course, the pcf tax falls within the those those timelines. Next slide. So here's what the city economist and the budget office of the revenue people are telling us. The ordinance would generate approximately 66 million per year. The tax increase. Subtract out the 3 million a year for the business, for the small business exemption. We were told that 10% of funds would be required to be saved in contingency. So

that that means we'd wind up with about 56 million in additional revenue to the general fund. This proposal would make the tax retroactive to January 1st, 2025. And while there might be a slight delay in collecting funds, the full amount would be collected by the end of the fiscal year. Businesses would not need to amend their current taxes, would just pay the balance in full by the end of the year. Had conversations with our budget director levine, and she said that, you know, she thought the cash. She's not particularly concerned about cash flow issues, although she might elaborate on that. So as so, this is a proposal that would help us balance our budget. And help us avoid massive cuts to critical services without tapping into the existing 1% pcf tax revenue of \$200 million a year. Next slide. And this just sort of reiterates what I already said. .33 percent tax increase. Provide some budget flexibility. Allow us to have more discretion in making decisions. Reduce pressure to use the actual clean energy fund to pledge budget. Plug budget holes. Reduce the tax burden on small businesses. Next slide. Although the council we are not allowed to know unless we like wrote to them and ask for their permission. Which specific corporations are subject to the pcf tax or any tax for that matter? The revenue bureau can tell us that there's about 500 businesses currently paying the surcharge, and only about 1% of those are headquartered in Oregon. You would expect that some of the corporations affected would be things like apple and target, which respectively made it 391 billion and 170 billion nationally in 2024. And they obviously would pay negligible, negligible amounts compared to their overall revenue, because Portland sales represent only a small fraction of their business. And again, it's only 0.33%. Next slide. In terms of effects on consumers, there's a question as to whether retailers would pass on the tax to consumers and if so, which ones. This is a tax that is paid by headquarters wherever headquarters is. We send them the bill and they pay it. So the question is, are they going to respond by

raising their prices just in Portland by 0.33%? And it seems I mean, this is not scientific, but my staff guy, zach ward, who's operating these slides, just checked around, looked at various products. And how much do they cost in Portland? How much do they cost in medford? Do they cost 1% more in Portland than in medford? And as far as nike men's air max shoes and goodfellow sneakers sold by target and apple macbook air, all of which we can reasonably assume are subject to the tax. The prices in Portland and medford are exactly the same. And there was research done on this topic in the context of measure 97 statewide years ago, that it seems like a lot of big companies have national or regional pricing structures, and they're just going to absorb a tax like this into those structures. They're not going to respond by raising prices by a tiny bit in Portland. Now, some of them probably will. In fact, I think it was told that one company like displays here is the Portland tax on your receipts. But I've only heard of one company that's doing that. It could be missing some. So again we could companies pass it on. They could. It seems that administratively it doesn't make sense for them to do it. If they did pass it on, that would increase the cost of a \$50 item to \$50.16. Next slide. We have been soliciting community input. We've been reaching out and having conversations with the pcef committee and other community stakeholders. We've talked with 350 pdx, the sierra club, the coalition of communities of color. We'll continue to do so. We're continuing to have those conversations before this proposal is heard at full council. If it is, it will be reviewed by the pcf committee, who will offer a staff report in their opinion. Next slide. Oh, this goes back to sorry. We kind of mixed up the slides here. When the city club of Portland looked at the pcf tax in 2018, they concluded that such a municipality specific corporate surcharge wouldn't increase price. Or there's wasn't research supporting that it would increase prices just in this city. Next slide. Councilor avalos. We raised in our climate committee meeting. She said

she's worried that this would sort of put us on a slippery slope to dip into pcef revenues for the general fund, and she drew a comparison to the utility license fee, which back in the day, the city said that it was going to use 28% of it for transportation. And that quickly ceased to be the case. We wanted to point out that there's differences between those two examples. Pcef is administered, or at least advised by the pcef advisory board. There's strong language mandating that amount collected by a 1% tax is specifically dedicated to climate projects, whereas with the utility license fee, the city only ever described revenue use. Revenue use for 28% for transportation projects is a target. There wasn't specific language that dedicated the utility license fee to any specific purpose, and all revenue was placed directly into the general fund before being allocated. And the other thing I would reiterate is that right now, there's nothing that prevents council from raiding pcef for the general fund. If the two colleagues that I've spoken of got five other votes for taking pcef to spend on parks maintenance, they could they could theoretically take half a safe \$100 million to spend on parks maintenance, because that's what the annual parks maintenance budget is. Next slide please. So again, we've heard that Portlanders, based on what we've heard from a number of constituents. It seems unlikely that Portlanders want an all cuts budget. We now have a poll suggesting that Portlanders are open to the idea of raising revenue, as opposed to an all cuts budget. I am worried that an alternative to an all cuts budget might wind up being. We further raise pcef, and I want to fend that, fend that off for the raid. Passing this increase will create fewer prescribed restrictions. The upcoming city budget would allow us to better respond to the priorities of constituents. It would help save programs that matter most to our communities, and it would protect the initial 100% pcef tax and the revenues from it that voters supported in 2018. Ultimately, if council wants to start to meet, both beat our climate goals and to turn the doom

loop into a doom loop, we need to look at new revenue. This option has public support. I am open to other revenue options. I'm also open, frankly, to the extent that we can. Madam president, consistent with state budget law, which violates the first amendment by saying we can't talk about cef, in my view, I'm open to having a conversation about where we are, the five of us, about, you know, what are some people thinking about? Are we comfortable with all with a budget that cuts x, cuts y, cuts z? To the extent we can do that, speaking sort of generally, I feel that it would not. I can't think of any parts of our general fund budget that I'm really excited about cutting. So I wanted to put a revenue option on the table. Thank you very much.

Speaker: Thanks, counselor. I think we've got a few people in the queue and I'll just go down the line here. So, counselor avalos, first to you.

Speaker: All right. Thank you. Chair. So I've got some remarks and then I have some questions. So and as folks know, we talked about this in the climate land use committee. And so I shared comments I'm sharing updated comments that reflect new information including what was in the powerpoint. So again, I'm here with deep concerns about this proposal to increase the clean energy surcharge and direct additional revenue to the general fund. This is not just a technical adjustment. I believe this is a high risk maneuver that puts the pcf and our climates, our city's climate and racial justice commitments on the chopping block. Again, this is a proposal that uses the same legal structure voters approved in 2018. It raises the rate changes where the money goes and does all of that without strong input from the pcf committee, community engagement and voter without voter approval. We've been told that this doesn't impact pcf, but and that it's actually protecting the fund because supposedly council is under pressure to rate it. But this idea that we're shielding pcf from an imaginary threat to me, I believe is misleading, but also

is backwards. This proposal is the threat to pcf because once we use the clean energy surcharge mechanism to fund something else, even if it's technically a separate stream, we've cracked that firewall and the political precedent is set. I will again bring up the utility license fee, and i'll adjust based on the information that I've heard. You'll hear that it's not the same that the ulf lacked an advisory board, didn't have strong dedicatory language, but that misses the point for me. The ulf is a cautionary tale. Not because of its mechanics, but because of how political behavior changes over time when the structure allows it. When the ulf was created in 1988 to fund street repairs, at first it worked, then it was put in the general fund and as we saw, it became vulnerable when budgets got tight. It was slowly redirected from 20 to 40. Now 97% of the ulf goes to other things other than transportation. And it didn't all happen at once. It happened because the political structure allowed it. And future councils will always find a way to access the revenue revenue source that's already been used once for something new. So that is my main fear for this proposal. Not that it mirrors the ulf policy language, but that it mirrors its political trajectory. And let's be clear, this proposal isn't just politically risky. I believe it is legally risky. I encourage all of you to consult with the city attorney's office and make your own assessments. But I have had those conversations, and for me, the risks are too high. If the city is challenged in court and we lose, we're not just back to square one. We've compromised the credibility of the program and the trust of our communities. And even if legal challenges don't materialize right away, the damage to public trust and political durability will be done. Voters created this fund. The understanding it would be dedicated, community driven and climate focused. This proposal violates that trust. We also don't know if this revenue will even arrive in time to fix the fy 25 six budget. The fiscal questions, which i'll be asking after this are still real and unanswered.

Portlanders overwhelmingly voted for pcf because they believed in a vision, a climate fund driven by the community, not by the political winds of city hall. So I do not want us to undermine that vision. I don't believe we should be gambling on a shaky legal foundation, and I don't think we should be treating voter trust like a revenue stream. I believe there are better, safer and more transparent ways to generate revenue, and I want us to do it right. So with that, I've got some questions. I'm going to focus today on revenue, specifically, since we are in the finance committee. And I see we have revenue folks or tax folks in the audience. Thank you. There's a copy from my chief of staff because I have all the questions lined out. I'm going to skip the first one because we've talked about the projected additional revenues. But I want to zero in a little bit on particularly what cbo director ruth levine suggested last time. So my question is, will the full amount of that revenue be available to budget in fy 25 six? What are the risks? I'm sorry, what risks are there to retroactively applying the tax to the start of the year and in particular during that last committee meeting? Cbo director ruth levine suggested that budgeting less than the full amount and placing the rest in contingency. So what is the rationale behind that recommendation, and what does it signal about the reliability of the revenue?

Speaker: Sure. For the record, ruth levine, city budget office director so sorry, there was a couple of questions embedded there. So i'll just start and tell me if I miss something. So I guess i'll start with the last one. So I mentioned last in the in the climate committee that I would recommend looking at placing a significant portion of the first year's worth of revenue into contingency. I think there are a couple of rationales for that. I think the first one is I think there is uncertainty in terms of there's definitely uncertainty in terms of exactly how much this this tax increase would generate for a number of reasons. One is there's general

uncertainty in the economy. Another is that, you know, there there is a question, I think, of how taxpayers would respond to the increased tax. Like when you add a new tax, it takes a couple of years for them to catch up and actually start paying it. So this is a little bit less clear in my mind because there's and I'm sure Thomas can speak to this as well. There's an increase of an existing tax. So would they, would they pay it in the first year or would they make up for it later? So I think there's uncertainty there. And so that would be another reason to place some of it into contingency. And then I think there's a third more technical point that Peter has about about how we account for these with, with credit carryforwards, which I like. I barely know how to say those words. So I don't think we should talk about that right now. But in any case, there's, there's, I would just say a fair amount of uncertainty. And that was why I recommended that if this if council were to adopt this, that, that you not plan for the first year on the full amount of the of the tax collections that are anticipated based on kind of the, the projections that that we've made. I think you had another question which is would the available would the revenues be available for 2526. So I think there are, you know, a couple of ways to look at this. The way the ordinance is currently written, it would direct a portion of the revenues in the pcef fund to, to be redirected to the general fund. And, and so the and that portion is based on the leaving the pcef amount whole. In essence, only taking the increased portion and putting it back towards the general fund. I think. So there's a there is a timing question in that there's, you know, based on what I just said, some uncertainty around exactly how much more you would collect in the first year, but that that portion would be redirected to the general fund nonetheless. And so I think there's not really a cash flow issue for that reason, because there's tax revenue is going to come in to the fund that much we know, and we just don't know what the exact number would be if you increased it to

1.33%. And so I think, again, it just gets to the not planning to spend the entire increase. I don't think it's an issue in terms of timing. As much as it is an issue in terms of like what's the amount that you can count on, especially if we're moving towards using this revenue source to fund ongoing general fund programming, which by and large is not right now, the last kind of and then there's a there's sort of a, I think, unrelated question, which is probably not where you're going with this, but around like the timing of when council actually votes, if council votes on this ordinance, how that would be reflected in the budget, which is sort of a separate question and does sort of raise some questions about what could be counted in the 2526 budget in that basically what I've what I said to councilor novick is I would want to know it would it would need to be reflected in the approved budget on may 21st, because it's big enough that it would risk triggering the 10% rule after that. And so there would need to be enough certainty on it that council could vote on. And an amendment to the proposed budget and incorporate that by may 21st. I don't know if that answers all your questions.

Speaker: Yes it does. Yes it does. Okay. And then it sounds like you've seen a copy of the ordinance. So then I'm curious, under this proposal, what structurally distinguishes the 1% portion going to pcef from the 0.33% going to the general fund? More specifically, is there anything in this ordinance that prevents future councils from rebalancing or even eliminating the pcef portion?

Speaker: So what distinguishes it structurally is just the math. So basically it raises the way it's written and councilor novick, please correct me if I'm getting something wrong here. I believe the way it's written right now is that it raises the rate from 1% to 1.33%. So 4/3. And it takes it takes three quarters of the total and directs it towards the general fund.

Speaker: One quarter.

Speaker: Sorry. Thank you. One quarter. Sorry. So the total the total amount going to pcef is going to be $\frac{4}{3}$ of what it is would be $\frac{4}{3}$ of what it is right now. Three quarters of that $\frac{4}{3}$ would stay in pcef, which is one. Does that make sense?

Speaker: No, but that's okay. I guess I'm not understanding what the quarter is coming from. I'm looking at .33. What's the quarter about?

Speaker: It's a councilor. It's when you increase 1 to 1.33, then 1.3, then .33 is one quarter of 1.33. So we're taking the new total will be 1.33. We're taking a quarter of that and directing it to the general fund. That is the idea okay.

Speaker: No I get that.

Speaker: And then and then to answer the second portion of your question, I don't think it would change the structure as it is currently. I mean, it wouldn't change the structure as it is currently, which is to say that council can always choose to rebalance by by changing code with with respect to how much they direct, how much pcef funds they direct elsewhere.

Speaker: Okay, let me end it there. I have a couple more questions, but I want to hear from my colleagues and i'll ask you some more later. Thanks.

Speaker: Thanks, councilor. We'll go to councilor green.

Speaker: Thank you chair. So I think you may have answered my question.

Question? Ruth. I had made a little asterix in councilor novick presentation that had said 10% of funds are required to be saved in contingency. That's a suggestion for first year funds, right? Or are you suggesting that we need to encumber 10% of any ongoing future revenues in a contingency fund?

Speaker: So I think what that's referring to is that we have financial policy that sets general reserves at 10% of general fund. Discretionary, and that this would become new general fund discretionary, which would mean the total general reserve would

need to increase in proportion to the amount, the extra amount that would go into the general fund as a result of this proposal. Does that make sense?

Speaker: It does. Thank you. That's helpful. Answers the question. Councilor novick, I'm curious about this poll. Can you share a little bit more of the details? I mean, I think I guess I'm I am not surprised to hear that you found in the poll that voters were willing to go along with a tax increase if they thought it, it held harmless certain programs, because I felt like that's what I was hearing in those listening sessions, but I but I would like to know a little bit more about how you maybe frame that poll question.

Speaker: So the poll was asking, and you'll see on Wednesday it was asking people about the trade offs we're looking at in the budget. So there were there's questions that ask, but big broad questions among the big service areas. What are you more or less likely to be willing to cut. And then within the service area, specific items, which do you think is more important than which? And then between service areas, which do you think is more important than which? And then at the end we said there's this proposal to raise revenue. Would you prefer that to seeing these the kind of cuts we've been discussing basically, and 69% said yes. Now, I know some people will say, well, you only asked that question after you told people what the cuts were, and we would and I would say, yes, we're the whole the whole poll is about trade offs. And if you think the only poll that's valid is one where you don't tell people the trade offs, then you won't like this poll. But we thought it was reasonable to tell people the trade offs that we're dealing with, the ones we're actually dealing with, and then say, would you prefer this in an alternative? I think one thing that gives the poll extra credibility is that more than 60% of Portlanders adopted this tax mechanism for another purpose just seven years ago, so it's not that surprising that a similar number would adopt it would favor it for this purpose.

I mean, I will tell you, just as a point of comparison, the same pollster last year, I think, asked people in the Portland area, would you rather raise taxes or cut services? And 54% said they'd rather cut services? Now that is a problematic poll, too, because it didn't say what services or which taxes. And there was a poll fairly recently that showed that over a third of people in the Portland area don't think that they've used a government service in the last year. So people don't think very much about government services except in the concrete when you tell them about it. So I think, I mean, there's many ways of asking any question. We ask this question as an alternative to making the kind of quests we're talking about. Just in the rest of the poll, we ask people, would you prefer to cut this as opposed to that?

Speaker: Thank you. That's that's helpful. I think that I would say that. It's when we when we think about taxes, we're generally it's framed up as like Portlanders can't tolerate any new tax or the governor has gave us permission or guidance not to raise taxes or sort of these broad, kind of sweeping sentiments which which, if you pull them in a general sense, might confirm that. But I suspect you'd see the same response if voters were to be considering any tax increase, like whether it's the utility license fee. Maybe if the poll was to say, do you support more firmly allocating where the utility license tax fee goes? Should it go back to like I think that voters would say yes, I do, if it means that I get this. And I don't say that necessarily undermine the case, but but really, to say that how we talk about taxes and voter intent matters in this city for driving policy, I don't know where I'm at on this, by the way, i, I am sensitive to not I want to talk to an attorney myself and not talk about legal strategy at the dais. But I'm not I'm not for or against at this point the concept. I do think I understand. Councilor avalos, your your argument around the political threat on or the sort of attack on pcef maybe I see where you're coming from on that because, you know, City Council can always say no, hold the line. But I actually

think that we need to think I do think there's a real threat and temptation that after we receive the mayor's budget and we see what's there, people are going to say, this is unacceptable and they're going to they're going to look to bring amendments to bear on the question. So whether it's about this or not, we do need to be prepared to respond accordingly with our values. And so i'll just leave my comments there.

Speaker: Thanks, councilor. Good vice chair pirtle-guiney.

Speaker: Thank you. Ruth, I'm wondering if you can help me understand when funds would be available a little bit better. You talked about the amount we would need to set aside the fact that it would probably be higher in the first year. Councilor novick is talking about this being a retroactive tax. What are we actually talking about in terms of numbers? If this were to pass in the first year, and when would those funds be available? Is this actually something we would be including in our budget, or would we still be making cuts and then doing a budget adjustment later if we were to pass this?

Speaker: Yeah. So I mean, I think I would say I would recommend that with if it's, you know, if it were going forward, as it's currently proposed, that and the council were to decide on it before by, by may 21st so that it could be reflected in the approved budget, that, that it would be, you know, reasonable to assume some revenues from it in the first year and that it would be reasonable to assume some ongoing revenue, I think. And peter's not here today, but I think the number is 66.

Speaker: 66 million.

Speaker: Net of the net of the business license tax.

Speaker: 63 net.

Speaker: Thank you. And so, you know, after you kind of put 10% of that into the reserve and then put a portion of it into contingency, you know, we'd have to have

some further conversations about what exactly to do with contingency. But, you know. I don't know, something like 40 plus million dollars is roughly the ballpark you're talking about. But, you know, don't I recognize I'm on the record, but subject to additional conversation. In terms of timing and how that would play out in terms of actual receipts. You know, I mean, we're always budgeting to a forecasted revenue number, and then that gets screwed up. And we try to forecast conservatively and to make sure that we're not, you know, booking any expenses against revenue that that might not appear. I think the thing to keep in mind is the way this is written right now is that again, it takes a portion of the funding from the pcef fund and redirects it to the general fund. And so the, you know, the amount that would be redirected is a quarter of the total pcef funds. And the question then is just what is the total what what is the number that pcef collects? Is it 190 million? Is it you know what? I don't know what peter forecasted with the 1.33, whatever that is. And where is it? Where does it fall in that, in that, within those bounds. And so that's why I would you know, we would just want to forecast conservatively in terms of what you would actually collect. But the timing of it is less important because of the way that that it's written.

Speaker: So if I could just jump in for a moment, thomas lannom I'm the revenue division director, chair zimmerman and vice vice chair. Pirtle-guiney, thank you for having me here today. So peter's forecast was 66 million for fiscal year. The increase would be \$66 million to the clean energy surcharge receipts, which is separate from pcef under this proposal. And then there'd be a \$3 million write down for the business license tax, assuming that piece went forward with the increased exemption and then the 10% set aside. So that's where you get to about \$56 million net. The. This group of taxpayers are highly compliant. They would be getting if assuming council action in June, they would all be getting a letter in July

from the revenue division notifying them of the rate change, and they would have ten months of runway to make an adjustment to get their tax year 25 payments in on time in April of 2026, which is in the fourth quarter of fiscal year 2526. So that's how you get to the bulk of the revenue falling into the into the fiscal year that we're 25, 26. So I would not anticipate confusion amongst taxpayers or a lack of compliance with this particular group.

Speaker: Councilor. I councilor novick started by saying that he was not excited about deep cuts, and I also am not excited about deep cuts, but we are going to get a balanced budget from the mayor, and we are going to have the opportunity to think about whether those are the right cuts or not. And I want to think more about the concerns that councilor avalos is raising, because I do share some concern about the risk. I have also talked to the attorneys, you and the rest of our colleagues got an email from me earlier today responding to the fact that the mayor and a number of other folks have sent emails about what we should do about pcef, and I want to make sure that we all have common information that we're working from, not just as it relates to this revenue proposal, but the broader conversations that councilors novick and avalos have both raised around pcef, and how councilor councilors may or may not interact with it as we move forward. I also just want to put in the conversation the fact that we have a number of revenue proposals that are going to be coming forward, I would guess, over the next 6 to 12 months from councilors. We have folks who are talking about how we address our deferred maintenance. We have a parks levy we'll need to consider. And I'd like to make sure that as we continue to have conversations about this proposal, that we do so in the context of thinking about the broader revenue conversations that we'll need to be having as a council and how we address all of these needs together. I think there's just a bigger picture there that I want to make sure we keep in mind as

we think about how we approach the budget that we get from the mayor and the decisions that we make over the next year about our priorities. I have a lot of other thoughts, but I want to make sure we have time for everybody so I may get back in the queue.

Speaker: Thanks. I put myself in the queue here. Just a couple questions, I guess. So I am one of the two that councilor novick spoke about who has interest in in using some psa funds. Unfortunately, the second part of that sentence doesn't really ever get covered by the media, which is as it relates to climate projects. Right? And I've made that case to you about the \$7.5 million we spend on on natural park maintenance. So I think of like forest park. So I think that connection to pcef is quite sound, actually. But I'm really not talking about the 200 million that it collects each year. I'm really talking about the exorbitant amount of contingency and being the only program that I can see in the city who's allowed to savings account their funds for five years. I don't really see that happening except in large capital projects, but it is in pcef. So I'm talking really about their, their their excess revenues when I talk about pcef, but not their day in and day out yearly stuff. But given that I guess my one of the concerns I have councilor is. Preschool for all and pcef are all these specialty one off taxes that have raised huge amounts of revenue compared to what they thought they were going to, and then an inability to get those revenues out in the year that they were collected and what they were intended for now went through their, I guess, rightsizing. And the county did a lot to get a lot of money out the door. But we just learned again last week that preschool for all has half a billion sitting in the bank. Pcef has half a billion sitting in the bank. What would keep us just in your thoughts, like how do we ensure that funds we raise in this community go out to service within that year, the next year thereafter?

Speaker: I don't think that we should. Pcef has, yes, they have money in the bank now, but the money has been allocated for the next five years. I personally think that pcef should do more of what we just did some of with the 82nd avenue bus rapid transit project. If there's anything that reduces carbon emissions and benefits low income people and people of color, it's giving people an alternative to driving an expensive car. So, as we all know, transit projects take a long time. And in general, I think you and I have different philosophies. I would rather spend the money right than spend it fast. We. Yes, this the pcf tax has generated more revenue than expected, but let's be honest, \$30 million would have been a piddling amount to help us reduce our carbon emissions and help protect vulnerable people from the impacts of climate change. Able to participate in the green energy economy. I don't think the pcf has raised too much money. I'm delighted that it's raised more than expected, and I think that we could spend every dollar of that money doing things that relate to climate, and I do not think that it's a good idea to start spending huge chunks of it, simply continuing to do things that the city was already doing, like having a park system, which in some which to me has more limited relationship to climate than doing things like improving transit. So I this proposal obviously would use the same tax revenue to the same tax mechanism to raise money for the general fund, which is spent year to year. But I think that, you know, of all of I mean, I don't think that there's a problem that pcf isn't spending the money as fast as it comes in.

Speaker: Sure. And I get that. But I think, you know, the point you make about the general fund is probably it will get it out. I mean, in terms of when I think about because i, you know, this ordinance will come next week and I'm, I'm. I'm still debating where I'm at, but leaning toward that. I think this is appropriate for the full council to hear. And I think about the future of the se and how much that fund has

raised. And we just heard a report last week, and I'll be sharing with the housing and homelessness committee this week that our number is over 14,000 homeless people in our community. Now, five years after that tax was created. And so I think that would have no chance to pass for its re-up if it was to go to the voters today. And I think that the likelihood that Multnomah County can sell that measure or that or that metro can sell that measure to the average voter today, who is taxed on \$125,000 as income, because those two governments consider that to be high earners is concerning, right? I think it's very likely that that tax will expire in the very near future. And so this mechanism is interesting to me from a perspective of if we are no longer sending a \$30 million check to the joint office in the future, if the se is not able to be renewed by metro, Portland will be in a lot of ways on its own for a lot of these types of services. And this mechanism is something that I think bears more conversation because the outcomes right now in the world are not producing, I think the results that people want to see. And yet Portland has 14,000 people with respect to we're now going to be opening shelters again, which was the whole point of getting to the joint office years ago was that we wouldn't be. We now are. We have hired five outreach workers, and we're about to hire another ten outreach workers, which, by the way, is the first time the city of Portland has had two outreach workers because that's a county function. So I just I start to see there's an area where we have been involved in these historic for the last ten years to five years systems that are kind of breaking down. And Portland having a revenue generating perspective is something that I think that's why I think you might be surprised that I am giving this some good consideration, because I think the future of some of our other partners is very bleak. And I don't know that we've made the case as a community for them. So. The I'm curious what your thought is on the on the one of the things you've heard me talk about is the why does pcf need to have a

contingency? The reason I've thought that is I think contingency is about emergencies. I think contingency is about unanticipated expenses or or unanticipated opportunities. Things that come up and we want to take advantage of it has caused me some concern that pcf currently sits on \$100 million contingency. For what I would say, none of those are core services. That doesn't mean they're not important. I very much believe they are important things that pcf is delivering. Do you consider the contingency that was spoken about the 10% in that same bucket, of that 110 that already exists in the pcf side of things? Or would this be a separate like, let's send that to the general fund and keep the general fund contingency up, because that 100 million does cause me some concern with if it's appropriate or not for a non core function.

Speaker: Well, as to the pcf 100 million, I mean pcf is trying to budget for five years and they have \$1.6 billion worth of projects. But we all know that the cost of any individual project might increase. There might be opportunities. So to have 100 million available over the next five years to adjust doesn't strike me as unreasonable. I think that since this increase would be going to the general fund, I think that director levine was just said that the 10% of the increase would go to the general fund contingency as well.

Speaker: Okay. Thanks, councilor. I'm going to go back and cycle through. I just say I am going to leave in a few minutes and have vice chair proceed over the rest of the meeting, that this will be coming for an ordinance reading in the next week, but one of the areas that I'm going to be looking at and kind of considering is would this increase potentially open us to being able to decrease individual taxpayers burden in this community? And if there is an option or a grand deal that could be made with respect to hhs and preschool for all and those other programs that are taxing folks at the 125 and so far as opening up an individual level of tax relief for a

corporate increase. So that's kind of where I'm bopping around some thoughts right now, colleagues. And with that, I'm going to turn it over to counselor avalos and also turn over the gavel to vice chair pirtle-guiney.

Speaker: What a great way for you to leave me the gavel. Thank you chair.

Speaker: All right. I wanted to talk a little more about this poll. So I guess I'm confused. It seems like the staff wasn't specifically mentioned in the poll question. So did they have context for what pcf even is when asked this question? I mean, it seemed in general, it was tacked on at the end of a poll of lots of hard choices. Right? And so I guess I'm unclear on what conclusions you are deducing from that poll. Given the answer, the question you asked isn't necessarily the answer I believe you were looking for. So I'm curious. Your thoughts.

Speaker: No. The question I asked was about to generate an answer I wanted to hear the answer to. It was the city. It didn't. It did not mention pcf. It said the city currently collects a 1% tax on these big fat corporations. And what would you think about increasing it by actually 0.33% and using that to help address these cuts? So that's that's what it says.

Speaker: Okay. So noted that it did not bring up pcf and it did not give people context to make a decision. And I think that context does matter. I'm curious. I guess. How did you arrive at the 1.33? Why not 1.5 or 2? What's the logic behind this rate that you chose, especially if we're looking to solve an ongoing structural problem, then why limit the solution? If that's your logic? So could you please explain?

Speaker: My logic was that we wanted to raise a sufficient amount of money to make a significant difference in dealing with our current deficit, and I picked a number that I thought, you know, would that I thought was modest. And that's pretty much all there is to it. It wasn't based on a I have done a 15 year analysis of

the city's budget needs and concluded that precisely this amount would be necessary to address them all.

Speaker: Okay. And I mean, this is more like a largely philosophical question, but I guess I'm just feeling that given all of this legal and revenue uncertainty, the political risks, do we feel this juice is worth squeezing? I mean, have we fully explored efficiencies, budget adjustments and more structurally sound revenue options? Plus, given that we don't have the budget in front of us, and it seems that the urgency for this is to avoid, you know, closures of parks and all of that, I it feels I'm curious how that aligns with what you think the mayor is going to give you. And let me just say, I agree with you that I do not want the budget to be a rubber stamp. I think we need to be in the weeds to make sure that we are authorizing or I'm sorry, we are showing our authority on the budget. But yeah, I guess I'm just this is a larger philosophical like, are we at a place where this is worth considering, given all of the other factors, given the fact that all of these groups that you mentioned have all written in to tell you that they do not like the idea, including the pcef committee, including the mayor. So what's the what's the reason for going forward given all this new information we've gotten in the last week?

Speaker: Well, I haven't heard from lots of groups saying they oppose it. Last I checked, with daymon mastery and jenny lee, they were cautiously optimistic about it. Maybe they've changed their minds.

Speaker: They have.

Speaker: They do well. So the timing. I personally think that's ridiculous, that we have like two weeks to respond to the mayor's proposed budget. And I think that I would not expect the full council to vote on this proposal until after we've seen the mayor's budget. And frankly, it wouldn't particularly upset me until we waited in a few weeks after that. Director levine has told me that although we have to have a

balanced budget in June, we can amend the budget subsequently if, you know not not like immediately, but a couple of months later. So we could theoretically have a balanced budget, that's all cuts. And then raise revenue and add some things back. I don't think that would be the end of the world. As to other options, I just I mean, the mayor is if the mayor somehow comes forward with a balanced budget that resolves everything with just efficiencies and cutting extraneous managers, etc, that I'm happy to withdraw this proposal. If you councilor have a list of efficiencies that can solve our problems without raising revenue, I'm happy to listen to that. But I'm sitting here as someone who saw the administrator's proposed cuts, some of which I thought were reasonable, a lot of which I thought were very problematic. The message I've gotten from the mayor recently suggests that he's planning to balance the budget largely by slashing parks maintenance, which I'm although I'm not in favor of raising psa for parts maintenance, I'm not in favor of slashing parks maintenance either. So again, I wanted to put an option on the table. I'm happy to listen to other revenue options. And again, I don't think that I think we can't always add money back after we adopt this initial budget, but I just wanted to put something on the table. And what particularly appealed to me about this is I think that it's a fair tax, and it's a tax that over 60% of Portlanders endorsed for another purpose seven years ago. And again, I'm and so far, I have to say, I have not heard other members of the council come forward with. Here's how I would balance the budget by making the following cuts. I haven't heard other members of the council come forward saying, here's my proposed revenue increase, and the only members of the council who I've heard talking about other than an all cuts budget, have said raid safe, which I'm against.

Speaker: I understand, I think though in absence of information doesn't mean it doesn't exist. I have made plenty of suggestions to the mayor about what I think

needs to be cut or saved, and I don't think we've even had the ability yet to really talk out those ideas. So I don't agree that because they're not there, that they don't exist. But, you know, which is why it's important to me to receive that budget so that I could have put it into better context, this proposal. But any other general proposal. But I think i'll leave it at that for now, and then i'll pass it on. Thanks.

Speaker: Actually, counselor, I would like to. Sorry.

Speaker: Would you like to respond, counselor novick.

Speaker: I would actually like to ask. And I ask the council president to keep us on task in terms of violating these ridiculous budget laws. But I would love to hear generally what your thoughts are for cuts.

Speaker: Okay. We can talk offline.

Speaker: Okay.

Speaker: And just as a reminder, if folks want to engage in that topic, that's not part of the agenda that counselor zimmerman left us with. Today, we can talk conceptually about values and things. We believe we should preserve, things that don't fall within our top priorities. What we can't do is talk about specific numbers, because that would be an amendment to the mayor's budget, which we don't have yet. But the conversation about what would you be willing to cut or not, at a high level, is fair game. Councilor green.

Speaker: Thank you. Chair. Vice chair pirtle-guiney acting chair. Pirtle-guiney I just want to sort of acknowledge that I see I mean, I see two of my colleagues fighting for peace. F and you know, councilor avalos, you've you've laid a really laid out, laid out a really consistent strategy of, of defense. And I and I and I tend to agree with everything here. I think, I think the thing that i, and I also see councilor novick doing the same, although what I don't know yet is whether or not the proposal on the floor is riskless or what, what degree of risk is. And so i, as I said earlier, I'm going to

I'm going to look at that. But my north star is going to be making sure that the Portland clean energy funds benefit fund, it remains something that exists into the future, because it's our future generations that will depend upon this. Councilor Zimmerman is not here anymore, but I do want to respond to a couple of his comments. And I just want to say that I'd really like to uplift the pcef, the committee itself. I really do think that that is a really good governing body, and we should give it its due in code to, to sort of weigh in on this. So I'm glad to hear that you're going to go and present to them. I saw I think I saw that on a, on a slide. And we'll see if they change their minds and interacting there. But it takes time to scale these programs. This is the pcef program is relatively new. The committee itself adapts and evolves, and they are all sort of aligned with this idea that if we don't act boldly, we're going to leave our children worse off, which is something that we can't undermine. I think the contingency question that councilor Zimmerman was raising, there is a lot of uncertainty in the cash flow timing. I think of like normal Portland clean energy fund revenues even aside from this tax. I mean, there are, if I understand correctly, some some, some credits that can sometimes change the cash accrual basis of, of what comes in and out. So I think if you're doing a five year plan, it's totally reasonable to have \$100 million set aside for the execution of that \$1.6 billion plan. I think going forward, we're not going to see this big accrual of funds that just sits there, even though it's going to be doing some work, because we will have ramped up to our rate of execution, and we will be spending as we get it. So like, it's not that that argument won't be there in the future. That or that complaint, I should say. And I think if we're going to make changes to how that climate investment plan looks, we always go through the committee. So I guess I'm bullish on this committee. I think however we're approaching this, we need to remember that that's what voters approved. And, you know, I'm going to continue

to do the same. So but if we get down this road and it looks like people aren't supportive of your of the pcf proposal, I'm happy to have a conversation on other revenue strategies. But we have precious little time I suppose.

Speaker: I put myself.

Speaker: In the queue before I was handed the gavel. I am also bullish on that committee. I think it's really important that in order to honor the work that community has done, we take our proposals there and I appreciate that. I have two colleagues sitting to the right of me up here who are both trying to defend the work that community has supported in very different ways. I think it's important that we note that we have, I think, four people left at the dais here who all think that pcf is a really important part of Portland's strategy. I've said numerous times that I think it's one of our city's single greatest assets in terms of setting up a stronger future for our community. As I look at the proposal we have before us today, I'm looking at it, yes, in its relationship to pcf, because of the potential for risks that councilor avalos has raised to the underlying fund. But also and I think equally importantly, as a piece of how we look at our budget work and our revenue needs for the city. And one of my colleagues mentioned that our revenue sources in some ways are very broken in this community. And I think that that's right. And that's a broader conversation that we probably ought to have at some point. And, you know, councilor, I've, I've gone back and forth on this proposal, and I think I've shared with you some of my concerns and also shared with you some of the reasons that I think that this is somewhat elegant, but I keep coming back to a concern about the broader conversation that we need to have. And just wanting to make sure that we don't have a rushed conversation because we are worried about cuts that will be before us and aren't before us yet. We're going to have to make hard decisions. We're going to get a balanced budget. We're going to have to figure out if we want

to balance it differently, and it is going to be really hard. I appreciate having this as part of the conversation, but I also want to say on the record that I hope that we don't use revenue to avoid having hard conversations about the cuts and that we still think very carefully, not just about the broken revenue side, but also how we can set up our city to do our work more effectively. Councilor zimmermann mentioned the many new bodies of work that we've taken on as a city, and I think that we need to consider what our body of business is alongside our considerations for how we pay for it. Councilor novick I think you have the last word in the.

Speaker: Queue.

Speaker: So I will use the last word actually to respond to what you just said. Madam president, for one thing, I don't think the city has taken on that many new pieces of business. The county has, metro has. We've taken on doing something related to the homeless crisis. And I assume you're probably not saying we should abandon that. Maybe we should. We took on the arts tax, which I think is ridiculous and should be absorbed in some way. But I think that to a great extent, the city gets tagged with things that are not ours. Specialty taxes that aren't ours. And I also am concerned that yes, we need to have big fat conversations about, you know, grandiose things. But what was it, councilor green, that karl marx said about real corporeal man with his feet planted firmly on the solid ground? I mean, we don't just need to think about broad philosophical ideas. We are going to need to balance an actual budget right now. And I am not. And I know you're not saying this, but I'm not willing to accept that we have to balance it only with cuts, or we wait for a big, long philosophical conversation.

Speaker: Thank you for acknowledging that that's not what I said, and I do understand your point, councilors. We do have time left on the agenda. If anybody

has other questions, we have our budget folks here, questions for our colleague or anything else we need to discuss.

Speaker: I just like to respond to councilor novick about the marx quote. Marx also said in the beginning of the 18th brumaire, he said something to the effect of, you know, all, all the previous generations weigh like a nightmare on the brains of the living. So the previous revenue choices that we've made in the past, specifically really allocating every single one to a specific use down to the t, I think has left us a little bit vulnerable.

Speaker: Councilors. Before he left, our committee chair asked me to inform everybody at the end of the meeting that at our next meeting on Monday, April 28th, because it is budget season, season, this committee is meeting a little more frequently. So we are meeting next week. We will get a general fund forecast from the city budget office. That will be an update on funds that we should expect to be available. As we go into our budgeting process. We will have a presentation from prosper Portland. It is our role as City Council to be one of the many groups that is part of the process for approving their budget, and we will also have the ordinance before us that we discussed today, sponsored by councilor novick, to amend code to increase the clean energy surcharge to 1.33% and increase the business license tax gross receipt exemption to \$100,000 to mitigate deep budget cuts to critical city services effective January 1st, 2025. With that, I will adjourn our meeting of the finance committee. Efficient work folks.