April 7, 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 7, 2025 12:00 pm

Session Status: Adjourned

Committee in Attendance:
Councilor Elana Pirtle-Guiney, Vice Chair
Councilor Steve Novick
Councilor Mitch Green
Councilor Candace Avalos
Councilor Eric Zimmerman, Chair

Councilor Zimmerman presided.
Officers in attendance: Keelan McClymont, Council Clerk

Committee adjourned at 2:23 p.m.

Regular Agenda

1

Authorize revenue bonds in an amount sufficient to provide not more than $80 million to finance curb, ramp and street improvement projects (Ordinance)

Document number: 2025-131

Introduced by: Mayor Keith Wilson

City department: Transportation; Treasury

Time requested: 20 minutes

Council action: Referred to City Council

Motion to send the Ordinance to the full Council with the recommendation that it be passed: Moved by Green and seconded by Novick. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

2

Adopt rates and charges for water and water-related services for the fiscal year beginning July 1, 2025, and ending June 30, 2026 (Ordinance)

Document number: 2025-132

Introduced by: Mayor Keith Wilson

City department: Water

Time requested: 70 minutes (1 of 6)

Council action: Referred to City Council as amended

Motion to amend Exhibit A such that it restores a rate schedule that would have been consistent prior to the Mayor's guidance to adjust downward the rate increases by 5%: Moved by Green and seconded by Novick. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

Motion to send the Ordinance to the full Council for consideration with the recommendation to pass it: Moved by PIrtle-Guiney and seconded by Green. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

3

Revise sewer and stormwater charges and fees for FY 2025-26 (Ordinance)

Document number: 2025-133

Introduced by: Mayor Keith Wilson

City department: Environmental Services

Time requested: 70 minutes (2 of 6)

Council action: Referred to City Council

Motion to pass the Ordinance to the full Council with the recommendation for passage: Moved by Pirtle-Guiney and seconded by Green. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

4

Revise sewer and stormwater rates for FY 2025-26 (Ordinance)

Document number: 2025-134

Introduced by: Mayor Keith Wilson

City department: Environmental Services

Time requested: 70 minutes (3 of 6)

Council action: Referred to City Council as amended

Motion to direct staff to recalculate rates in Exhibit A that would have been consistent with the pre 5% cut: Moved by Green and seconded by Pirtle-Guiney. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman).

Motion to send the Ordinance to the Council with the recommendation to pass it as amended: Moved by Pirtle-Guiney and seconded by Green. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

5

Adopt fees and charges for water system development and water-related services during the fiscal year beginning July 1, 2025, and ending June 30, 2026 (Ordinance)

Document number: 2025-135

Introduced by: Mayor Keith Wilson

City department: Water

Time requested: 70 minutes (4 of 6)

Council action: Referred to City Council

Motion to pass the Ordinance to Council with the recommendation for passage: Moved by Pirtle-Guiney and seconded by Green. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

6

Revise transportation fees, rates and charges for FY 2025-26 and amend Transportation Fee Schedule and fix an effective date (amend TRN 3.450) (Ordinance)

Document number: 2025-136

Introduced by: Mayor Keith Wilson

City department: Transportation

Time requested: 70 minutes (5 of 6)

Council action: Referred to City Council

Motion to amend the Parking Meter Rate proposal (Exhibit A) to no change in fiscal year 2025-26 for the rate for the following nonevent based parking rates and districts - the Central Eastside, the Downtown, the Llyod, the Marquam Hill, and the Northwest Districts and any sub districts within those that are nonevent based: Moved by Zimmerman and seconded by Pirtle-Guiney. (Aye (2): Pirtle-Guiney, Zimmerman; Nay (3): Novick, Green, Avalos). Motion failed to pass.

Motion to move the Ordinance to the full Council with the recommendation to pass: Moved by Novick and seconded by Green. (Aye (4): Pirtle-Guiney, Novick, Green, Avalos; Nay (1): Zimmerman)

7

Amend Portland Permitting & Development fee schedules to improve cost recovery and service levels for customers (Ordinance)

Document number: 2025-137

Introduced by: Mayor Keith Wilson

City department: Permitting & Development

Time requested: 70 minutes (6 of 6)

Council action: Referred to City Council

Motion to send the Ordinance to the full Council with the recommendation that it be passed: Moved by Green and seconded by Pirtle-Guiney. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)

Portland City Council, Finance Committee
April 7, 2025 - 12:00 p.m.
Speaker List

Name	Title	Document Number
Eric Zimmerman	Councilor, Committee Chair	
Keelan McClymont	Council Clerk	
Elana Pirtle-Guiney	Council President, Vice Committee Chair	
Steve Novick	Councilor	
Mitch Green	Councilor	
Candace Avalos	Councilor	
Christopher Herr	Council Policy Analyst	
Jeramy Patton	Deputy Director of Enterprise Services - PBOT	2025-131 through 2025-137
Jonas Biery	DCA of B&F	2025-131
Matthew Gierach	Debt Manager in the Public Finance Division within B&F	2025-131
Priya Dhanapal	DCA Public Works Service Area	2025-132 through 2025-137
Donnie Oliveira	Deputy City Administrator, Community and Economic Development	2025-132 through 2025-137
Farshad Allahdadi,	Business Services Group Director (BES)	2025-132 through 2025-137
Cecelia Huynh	Finance & Support Services Group Director (Water)	2025-132 through 2025-137
Quisha Light	Interim Director, Water Bureau	2025-132 through 2025-137
Wendy Cawley	Transportation Operations Deputy Director	2025-132 through 2025-138
David Kuhnhausen	Interim Director, Portland Permitting & Development	2025-132 through 2025-137
Kyle O'Brien	Budget and Finance Manager, Permitting & Development	2025-132 through 2025-137
Elshad Hajiyev	Deputy Director, Portland Permitting & Development	2025-132 through 2025-137
Eric Engstrom	Director, BPS	2025-132 through 2025-137
Eben Polk	Waste & Recycling Manager	2025-132 through 2025-137
Claudio Campuzano	Finance, Property & Technology Manager, Vibrant Communities Support Services	2025-132 through 2025-137
Julia DeGraw	(Testimony)	2025-132
Kyle Chipman	(Testimony)	2025-132

Portland City Council Committee Meeting Closed Caption File

April 7, 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 this meeting of the finance committee to order. It's Monday, April 7th at 1202 Keelan. Can you please call the roll?

Speaker: Pirtle-guiney. Here. Novick here.

Speaker: If you're watching. Mom. Hi. Here.

Speaker: Avalos. Here. Zimmerman.

Speaker: Here. Christopher. Can you please read the statement of conduct? Thank you.

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 ed.gov. Council agenda slash 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. For today's meeting, individuals may testify for two minutes. 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 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 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: Thanks. The committee today is going to hear and consider an ordinance from the city budget office to authorize revenue bonds to finance curb, ramp and street improvements. And then we will move into hearing from and considering six rate and fee ordinances from the Portland water bureau, the environmental services bureau, pbot and permitting and development. With that Keelan, can you please read item number one.

Speaker: Authorize revenue. Sorry, authorize revenue bonds in an amount sufficient to provide not more than $80 million to finance curb, ramp and street improvement projects.

Speaker: Great. We've got the staff here and i'll let you take it away, please.

Speaker: Great. Thank you, chair and committee members. For the record, my name is jonas berry, the deputy city administrator for budget and finance and the city's chief financial officer. What we have before you today is a proposed financing strategy that includes bond issuance, which will require council authorization. There's two primary objectives of the financing strategy. One is to fund a gap, which pbot will describe a project gap, and the other is to produce some short term budgetary savings. We'll hear from pbot about the legal obligation that will be funded by the bonds. And then I will do a quick summary of the proposed financing terms, timeline and outcome. And with that, i'll hand to jeremy patton with pbot.

Speaker: Good morning everyone. Jeremy patton with pbot finance. So back in 2018, the city of Portland entered into a 12 year settlement agreement with the civil rights education and enforcement center to build the ramps to prevent a potential lawsuit. And i'll just jump through these. I think, you know a little bit about the background of the program. I'll just jump to the next slide. So the settlement agreement required us to build 1500 ada compliant curb ramps per year for 12 years, for a total of 18,000 ramps. And in some of those years, we can build more ramps or we can build less ramps. The settlement agreement, we can either bank them or draw off that bank moving forward. Next slide please. And then this one is just a little bit of a background on how we currently plan to fund the ramps for the next six years of the, of the program. So our 1500 ramp quota is funded by a number of different funding sources and also provided by a number of different programs to implement those ramps. So we have our capital improvement process or our normal cip projects when we're going out and building a cip project. If there are ramps involved in that, those funds will pay for that. There are development permit programs or projects that also pay for ramps. And then we're mostly talking about today is around the general fund and pbot general transportation revenues, which are building our ramps by request. They are built in our pbot maintenance operations. When we go out and do paving, the ramps are built through that, and then we just have contracted ramps to kind of make up the difference. And that's where the bulk of what we'll be talking about today is the funding for those three particular programs.

Speaker: Great. Next slide please. And so we'll come back a little bit to a little bit of a cash flow that's in the presentation. But wanted to mention the bonds themselves. Should they go forward. These will be limited tax revenue bonds. And I should mention next to me is the city's debt manager. So if there's really difficult questions matt will be the expert for that. Matt and his team manage the actual bond sale process, etc. The security will be the city's general fund. So ultimately the general fund is on the hook to repay the bonds, but the intended bond repayment source will be a split. And we'll show you a slide in a minute that will show that a split 5050 between pbot gt-r and the general fund. What that means is that if you're looking at the city's debt limits, about half of the debt will be applicable to what's called self-supporting. The other half will be non self-supporting, directly paid by the general fund. The estimated borrowing amount is up to 80 million for projects plus. On top of that, the estimated issuance costs, which are conservatively estimated at just over $1 million intended bond repayment term, is 15 years interest rate. Right now, we assume 5%. We hope and believe that that's likely going to be a little bit lower when we actually get to the point of market, but we want to add some cushion for volatility, which is quite high right now. So we're assuming conservatively 5%. And then I did want to just mention quickly kind of the timing and key steps. So if this passes on to for council approval that will happen. First reading on the 16th second reading I believe at the 1st may meeting we will begin working kind of in tandem with that process. The next major, major step is drafting a preliminary official statement, very large prospectus document that goes to investors wanted to flag that per the city's procedures, at some point when that gets near final, that does go to all council members, really for awareness and to make sure that we're all doing due diligence, that if council members are aware of a material fact that that's reflected in there. So we'll do a little bit more education and preview. As that date gets closer, we'll have a independent rating agency will rate the city's credit rating as they do for every bond issue. And then we'll publish that preliminary official statement and move to the sale. It's about a 12 week or so process in total. We are hoping to be able to potentially close this fiscal year. And so you'll also notice in the proposed ordinance, there's a budget adjustment, sort of a technical adjustment to accommodate that sale happening this fiscal year. It is possible it may not happen until next fiscal year. We'll we'll learn more as we go through that process. Next slide please. So this is some really key information a lot of numbers here. But wanted to kind of show our work. What what really I would focus in on is in that first section the base case funding scenario, which is without the financing, the last line potential ramp cost shortfall does show that project shortfall after contribution of cip from from pbot contributions from transportation revenues and transportation from the general fund revenues. Still a little bit of a project gap. If you move down to that middle section, the cash bond funding scenario, you'll see that that shortfall line is zero for the first three years. So we're funding that shortfall portion. Plus we're funding the amounts that would otherwise be funded by transportation revenues, the non cip revenues. So that's how we get to that. 80 million is gathering all of the shortfall and the amounts that would otherwise be cash funded in 2526 and 2627 at the bottom. That shows that the very bottom line shows you the cash flow savings for the first couple of years. So it turns out to be about just over 6 million for pbot, 6 million for the general fund in 2526. The trade off is, of course, we're paying debt service so that those payments increase a little bit beginning in the out years. I’d also flag their savings anticipated in 2627. We're recommending that we just treat this as one time savings in 2526, until we can know a little bit more about the future for 2627. And this is part one of a two step plan. And so if you move to the next slide, which I believe is the last one, this is not proposed right now. Right now all this ordinance addresses is step one, the 80 million. There's a second step that we intend to come back to council in the future, for which is financing the remainder of that shortfall in that amount. And so this second scenario shows what that cash flow looks like. If we continue a financing strategy through the entire term of the settlement agreement through 2930, and that shows that the total annual savings, still the 6 million each to transportation and to general fund for a couple of years, and does still show savings for the remaining years of the forecast, with the trade off being that that tail of debt service at the end, the tail of debt service. And in this scenario, 9.7 million is still less than the annual contribution being made today. So I wanted to flag this because it's an important part of the strategy, also important that we're not asking for that right now. We intend to come back in a couple of years when we have a narrower lens on what the remaining need is at that time, what the financing assumptions are at that time, what the other landscape of transportation and general fund revenue needs are at that time, and refine that future borrowing plan in the future. That's the end of the presentation. Unless anyone has anything else, and happy to take any questions.

Speaker: Thank you, mr. Berry. Looking to my colleagues, counselor green.

Speaker: Thank you. Chair. So the 5050 split, that's 50% unsecured limited tax revenue bond and then 50% the secured. So is that would you say 40 million from each tranche.

Speaker: Well, so it's just to be clear it's they're both secured right. They're secured by the general fund. Ultimately the legal security is the general fund. We're just identifying 50% of the revenue, 50% of the payment. The annual payment will come from transportation revenues. So it will be issued as one single series and 80 million or whatever the final amount is. And then we'll we'll the legal security is the general fund. We will manage internally to make sure that pbot has resources to contribute their 50% of the debt service.

Speaker: Okay. So I think I that's helpful. So there's three classes of bonds we would issue. There's geos. We're not dealing with those today. And then there's two types of limited tax revenue bonds. One secured only by the full faith and credit of the general fund. But then there's another category that has a specific funding source identified to back those. And then we have a higher debt limit on those. So this isn't splitting between those two categories there just in that.

Speaker: Yeah. They're sort of different flavors. Right? I mean ultimately it's from a legal perspective these are full faith and credit bonds. So an investor really cares that that's what stands behind them. From an internal management perspective. We're identifying there's a second revenue stream to pay for part of that. And so it's sort of two flavors of the same. What we call in our nomenclature limited tax revenue bonds. Other places call them limited tax geo bonds. There's a separate category councilor of maybe more traditional revenue bonds, where it would just be secured by a single revenue stream. So, for example, if we said we're just paying these from transportation revenues, they might be called something like a transportation revenue bond that is secured by and only paid by that specific revenue stream. So that's sort of the waterfall of general obligation, sort of limited, limited tax and then revenue bonds. Okay. That's helpful.

Speaker: That is helpful. So the 5% at 15 or 15 at five. So I think today's ten year treasury is about for just just over 4% has been falling because of, you know, everything going on. So you're optimistic maybe that we might be able to play in that 4 to 5% space.

Speaker: Yeah. Based on today's market environment, the interest rate would be around 4% because we have tax exempt bonds that we're selling. So it's a bit below treasuries.

Speaker: That's good. Thank you. And then finally the budgetary savings from this issuance that you've laid out in your chart is are those savings already assumed in the administrator's proposed.

Speaker: Yes, those were assumed the one year of savings at a 6 million. 6 million each. 6 million for general fund, 6 million for pbot were assumed in the city administrator's recommendations in February.

Speaker: So if we don't do this, it's the $100 million budget gap instead of 93.

Speaker: More or less roughly.

Speaker: Okay, thanks.

Speaker: Vice chair pirtle-guiney.

Speaker: So if we don't do this, you're showing a cost savings to general fund. These are expenditures for transportation. Should I assume that if we don't go down this path, the funding stream is also a split between general fund and other funds that are allocated specifically for transportation projects?

Speaker: That's correct. So in the kind of cash flow chart we had, there's line items that show around 10 million in general fund that's currently being contributed. So in this scenario for at least for 2526, instead of contributing that 10 million in general fund directly will be contributing only 4 million, 4 million to the debt service. So that's where that 6 million savings comes from on a short term basis.

Speaker: And can you put this.

Speaker: In the context of our broader debt portfolio and outlook? For me, if council is talking about some items we might want to consider in the future, that would also require debt. How close to our debt limit are we? What does this look like? Big picture for the city. And how does an $80 million change affect the cushion that we have there?

Speaker: So under the debt policy, we have quite a bit of capacity for general fund secured bonds. It's around $300 million. So take away 80 million for this. And then in terms of like how that would impact the credit rating, that's more of like a fluid discussion around how much capacity we have for that. So that's really not a firm number on on that standpoint.

Speaker: And speed of how close we are on the on the debt rating side.

Speaker: Yeah, that's been politically correct I appreciate that. So the reality is we're we're really pretty close to where if we just look purely at rating agency metrics and they are they are fairly transparent about how they do their calculations. So we can back into that. We're currently kind of right at the edge of where that specific metric debt capacity starts to flip to the next kind of category down. That alone doesn't lead to a rating impact, but it it moves the dial a little bit in that direction. So that's the case whether we issue these bonds or whether we issue future bonds, every time we issue, you know, that's a little bit of an impact. I would just say the trade off is the rating. Agencies also look at outstanding legal obligations, of which this is and we're funding that outstanding legal obligation. So it's hard to sort of really put a fine tip on what is the rating impact, other than just acknowledging we pay attention to both sides of that equation and have that discussion with the rating agencies in the context of the issuance.

Speaker: And I would like to put some clarity around like what that means, like if the city were downgraded. So right now we're triple-a and there are a total of 9 or 12 notches to get down to below investment grade. So if I if you get downgraded it's like one notch. So you instead of triple-a you'd be a double a plus. And like the incremental interest cost from that occurring is not substantial. But that doesn't mean that you don't want to try to aim for that triple-a benchmark still.

Speaker: So and I would just add one more point. The challenge is once you get that downgrade, it's really hard to get it back.

Speaker: Yeah.

Speaker: Right now I know it changes as debt markets change. But right now, what would the impact be on our interest rates and therefore on our debt payments citywide if we were downgraded? And I guess preceding that, I should ask, what is our current citywide annual debt payment? What does that look like as a portion of our budget? I haven't gotten far enough into my budget document.

Speaker: Yeah, we might need to come back with with the detail behind that. We've got it. I just don't know that we have it at our fingertips as far as sort of the annual payments. And per our earlier discussion, it's a little bit it's a little tricky because we have so many other payment sources that contribute to like the self-supporting functions, but we can provide that data. The rating, sorry, the interest cost impact immediately is probably not massive. I don't know, ten basis points.

Speaker: Yeah. So it really wouldn't impact any of the debt that we've issued already. So it really only impacts what we issue on a going forward basis. With the exception of some of our credit facilities, like sometimes those actually increase in cost depending on what the credit rating is. So any of our existing debt that we've issued that like wouldn't increase in cost.

Speaker: And I do know there was an analysis done a number of years ago about what that specific cost might look like. And so we can try to refresh that. The thing to acknowledge is that because once you hit that downgrade level, that might only be, you know, ten basis points, which would be from 4% cost to a 4.1% cost is what that ten basis point impact would be. But you pay that forever because it is really hard to get that back. And so that's.

Speaker: Probably a little bit higher that maybe back in a couple years ago, it might be ten basis points would probably be like 20 to 25.

Speaker: So that's just the reality is that it's easy to sort of just see that short term of here's the impact to this bond issue or for the next year, but really you're embedding that additional interest cost impact for the next many, many decades, which does get quite expensive.

Speaker: I'd like to know if this limit that we're approaching would be a change of 10 or 20 basis points, or if it's something different now. And I'd also like to get information on what our total general fund debt payments are annually. If you could get that information for me in the future. Thanks.

Speaker: Yeah, I actually have general fund debt payments. Let me see if I can actually pull that up.

Speaker: I think I'm going to have us move on, but I think you've heard the request, and I think relative to some of the conversations, excuse me with my colleagues, we're both having a we need to get into this in the budget. And then in the summer we will we will be having a debt management working session to get further into the philosophy approach, long term plans as well. So with that, I want to go to counselor green. Did you have one last question?

Speaker: Yeah, I just wonder. I don't know if this is a follow up answer question. I see also dc olivares in the back of the room, but I imagine a lot of these ada ramps that we're gonna be financing are going to be in future tif districts, because we create a lot of coverage with those tif districts. And I wonder if one our tif resources allowable to be spent on the construction of these curb ramps and if so, what a future debt action make possible to sort of use a tif resource to settle the outstanding balance and bring those these limited tax revenue obligations off the books?

Speaker: I'll flag one partial answer. And then maybe it's a question for pbot with regards to tif funding, I would say it could be possible, but only if it's reflected specifically in the tif plan. And I don't know whether these kinds of projects are specifically called out in that, in that plan. And then as far as the projects, I don't know the geography of where these occur, but.

Speaker: As long as they happen within the city of Portland boundaries, those projects happen. Those ramps can be counted towards the 1500 per year.

Speaker: Okay. Thank you.

Speaker: I just want to mention for my colleagues and everybody else, you heard the staff refer to tax exempt municipal bonds. And councilor avalos, myself, councilor smith and councilor clark, we're back at national league of cities in March. And I don't know that there was any topic more front of mind for the national league of cities as it relates to this topic, because tax exempt municipal bonds are, so to speak, on the chopping block from the federal side when it comes to how they're balancing their proposals. So this is a good time to raise that flag, that it would have significant down trace impacts on every municipal government trying to do projects like this. Okay, colleagues, any other questions? If not, I would entertain a motion for this ordinance.

Speaker: So moved. Thank you.

Speaker: Councilor green moves and councilor novick seconds to move the ordinance to the full council with the recommendation that it be passed. Keelan, can we please call the roll? Actually, pause. I'm sorry, I need to first ask if we have any public comment for this ordinance.

Speaker: We know.

Speaker: Thank you. Thank you for the mistake there, colleagues. I caught myself though, so now we can call the roll.

Speaker: Pirtle-guiney i.

Speaker: Novick I green. I avalos. I zimmerman.

Speaker: I. The motion carries an ordinance to authorize revenue bonds will move to the full council with recommendation to be passed. The. It looks like this is planned to come forward on the April 16th meeting of the full council. Thank you. Staff clerk. We can now move to item two, please.

Speaker: Adopt rates and charges for water and water related services for the fiscal year beginning July 1st, 2025 and ending June 30th, 2026. Chair, did you want me to read the six together?

Speaker: Yeah. So what we're going to do, folks, is we're going to we're going to hear the presentation on on all of these. And in between each of the different sections, I’m going to take a few minutes for each for the councilors to ask questions specific to that group that just presented. And then we will take. Public comment on on all of them together. And then we will vote one by one, as we've seen in other places. So just want to kind of for process wise, that's how we're going to go through today. So given that clerk, can you read all of them into the record now? And we'll be hearing the presentations on all of them together. Thank you.

Speaker: Yes. Thank you. Item three revised sewer and stormwater charges and fees for fy 2025 through 26. Item four revise sewer and storm water rates for fy 2025 through 26. Item five adopt fees and charges for water system development and water related services during the fiscal year beginning July 1st, 2025 and ending June 30th, 2026. Item six revise transportation fees, rates, and charges for fy 2025 through 26 and amend transportation fee schedule and fix an effective date. Item seven amend Portland permitting and development fee schedules to improve cost recovery and service levels for customers.

Speaker: Great. Thank you. And with that. Let's see who's first. Who wants to be first. How about that?

Speaker: I got the shot so somewhere.

Speaker: But go ahead and take it away.

Speaker: Good afternoon, chair zimmerman. Councilors. Thank you for the opportunity. Opportunity to be here today. I'm priya, the deputy city administrator for public works, and I'm pleased to be joined today by my colleagues, dani oliveira from community and economic development and dca, sonia shymansky from our community service area, and also a dedicated staff from each of our service areas behind us today. Today's presentation brings together several bureaus water, biz pbot, parks and pnd. And in a joint presentation we will present a proposed updates to utility rates, fees and system development charges or sdcs across multiple bureaus and service areas. And we know rates and fees are never easy topics, but they're essential to delivering high quality, sustainable services across a city. These proposals represent key decision points, one that will determine how we invest, maintain affordability and ensure equity over the long term. We want to walk you through the proposed changes to these charges, the drivers and how they support our budget and the investments they enable. And our goal today is to be transparent, focused and responsive to your questions as you consider these proposals. Next slide please. Today's agenda. The agenda here is structured to go through each bureaus rates and fees proposals. First you'll hear from the Portland water bureau and bs on utility rates and fees. And then pbot will walk through its rates and fees. We will then pivot to a joint sdc overview section, and from there, we'll move into permitting and development fees with pnd and waste and recycling fees from bmps, and then wrap up with parks related fees. We'll pause for questions at each section to make sure you have time for discussions. And it's my understanding that public testimony is scheduled at the end after the full presentation. Next slide please. Before we get into the numbers, I want to. We wanted to ground our presentation with the definitions we're using. User charge.

There are two broad categories. The first one is user charges which are ongoing costs paid by residents and residents and businesses for services that they use, such as water and sewer bill, solid waste, parking meters, right of way usage, parks, programs and so on. They support day to day operations and long term capital investment. The development and permitting fees are typically one time charges associated with new construction. Like the sdcs plan reviews, utility service, connection fees, and so on. It's important to understand that these revenue types are not interchangeable changeable. They have their own legal and financial framework, especially for our enterprise funds, which are ratepayer funded and restricted by city charter. And also each of these charges play a distinct role in maintaining service levels, enabling future growth and ensuring fairness between existing uses and new development. And with that, if the other tcus would like to add something happy to, or we can pass it on to.

Speaker: Real quick. Thank you donna paul councilor danielle. For the record, I one note is the solid waste fees that you're going to hear today is largely informational in process. It's important for us, we thought to bring this this whole package together. But we are reliant on metro council to set the first tonnage tipping fees first, which informs our process. We'll come back to you all at a later date with the official number, but this is just informational on solid waste today. Thank you.

Speaker: Thank you. And with that, we will pass it on to our finance leads for the various bureaus to start with. And it will start with the utility rates, fees and charges.

Speaker: Thanks. All right. Good morning, chair zimmerman and committee members. For the record, my name is farshad ali. I’m the business services group manager at the bureau of environmental services, and I’m joined by cecilia hoon, who is the finance director for water. First, I’d like to if we can go to the next slide.

First, I'd like to just do a quick rundown of some level setting information around the utilities mission biz mission is to provide wastewater and stormwater infrastructure to Portlanders, to protect public health and the environment, and for water. It's to serve excellent water every minute, every day. You've probably heard this term in the past, but the utilities are in the 100 year business. What that means is that we are more or less benefiting from the infrastructure decisions of our predecessors, and we, our grandchildren, are likely to be impacted by the decisions we're making today. So you've heard that we are enterprise funds. The sewer and stormwater enterprise funds that are restricted by charter. We're highly regulated in what we do by permits and regulatory requirements. And combined we have for $45 billion in assets in the ground. Many of those assets are over 100 years old and nearing end of life. And so adequate funding is an important financial consideration for us as we consider asset management of those of those facilities. Next slide. This is just informational. Again I think we talked about city code establishing the rates and fees for the utilities. Also, City Council has the responsibility for making any changes to those rates and fees on an annual basis. And then we are further constrained by city wide financial policies for how we can use those fees. Next slide. Councilors have expressed an interest in better understanding how utility rates setting methodologies work for the utilities, and we'd be very happy to have that opportunity to get into those details in the future. But this morning, what I'd like to do is set up that deeper conversation with a high level explanation of how we set utility rates in the city of Portland each year. Generally, we calculate rates by starting with a budget. We look at next year's planned spending in addition to longer term cip and operational plans. This analysis results in a multi-decade bureau expense model. We then subtract the non rate revenue that we expect to receive over the same time period to calculate the year over year revenue gaps that need to be filled by customer utility rates. The final step is allocating costs fairly across classes of customers, so that their individual bills reflect their impact on our system. For example, some customers property characteristics have a higher impact on stormwater services compared to wastewater services. In this example, the customer will see a higher stormwater charge relative to wastewater charge than another customer. Next slide. On this chart, we're displaying categories of revenue for bees and water, respectively. You see that even with the application of the mayor's guidance that we've heard about, rate revenue for both utilities account for approximately 90% of all revenues for both utilities. The next largest revenue category for utilities, as background, are the revenues from sdcs fees and charges, which for bees account for a little less than 10% and a little less than 8% for water. Next slide. Current and past regulatory obligations are creating multiyear cost pressures for the utilities. The utilities manage these costs over multiyear forecast windows through careful and constant financial planning to avoid major rate spikes. Recommended rate adjustments are made to ensure modest and predictable rate increases sufficient to meet our current and future financial obligations, those being regulatory capital or operational needs, while also balancing affordability for our customers. The utilities communicate our five year rate profile to the mayor and council every year, to orient city leadership to the rate revenues needed to meet evolving utility risks and regulations. With the exception of the fiscal year 2526. Rates on this profile, which have not been adjusted, which, excuse me, have been adjusted down in accordance with the mayor's guidance. This rate profile has not changed from the last year. We will be updating this rate profile in the coming months, likely upward, to incorporate ongoing citywide cost increases and any council actions this year specific to rates, sdcs fees and charges. Next slide. So what does this mean for a typical family a single family household bill. You see here the current forecasted rates and bill impacts for a typical and low income program participant. It takes huge reductions in budgets and reductions in service levels to our customers and community to achieve only very modest impacts to the utility bill. Specifically, the previous mayor's guidance would save the typical family, single single family household only $0.50 on their monthly bill. But these reductions predictably drive increased risks of failure and significant future cost increases that will be unavoidable. Applying the mayor's guidance to rate increases should rates be approved as proposed, a typical single family residential customer will see an increase of a little more than $9 a month across the whole utility bill for our qualifying low income tier one customers, those that are at 60% of the median household income for the Portland metropolitan area, they will see an increase of only $4.59 a month. And for customers qualifying for the low income tier two discount, those that are at 30% mfi, their monthly bills will only increase by $1.86. These bills assume 500 cubic feet of usage per month, which is equivalent to about 3740 gallons. What we're seeing, though, is that due to conservation and more efficient plumbing fixtures, the typical usage is actually closer to 400 cubic feet. This is a 20% lower usage rate, and it means that we're likely to see median bills for single family residential customers around $125 per month, rather than 160. But we'll have to. We're monitoring those trends to know for sure. Before I provide more details on the wide range of utility affordability programs, which focus on assistance to our customers who are most in need, I do want to present information about how Portland's water utility rates compare to other communities. Next slide please. It is a common misconception that Portland has some of the highest utility rates in the region, or even in the country. And despite cost pressures. Portland utility continues. Portland utilities continue to keep costs to customers within range of comparable national peer cities that have similar water, sewer and stormwater systems. The chart on this slide include two types of utilities neighboring utilities, which are geographically close to Portland and are here for reference, and peer utilities, which share similar system characteristics such as combined sewer overflow infrastructure and drinking water filtration requirements. The most apples to apples cost comparison is made between our peer utilities. Utility costs vary based on geography, infrastructure, age and regulatory requirements, but this chart provides important context. Portland's rates are not an outlier. They reflect the real cost of maintaining a safe, reliable and modern system. Many of our peers have completed filtration, but haven't yet addressed combined sewer overflows, which biz did with the big pipe project. So we expect to remain in the middle of the pack of comparable peer utilities as filtration is completed in Portland and other cities. Address csos, which is as these capital investments represent similar magnitudes of cost. Next slide. I want to speak a little bit about affordability and start by highlighting that 75% of Portlanders for 75% of Portlanders, our rates are affordable, but we do have an increasing percentage of our customers that are in need of some financial assistance, and we strategically invest in robust financial assistance programs to help customers with low income. We provide bill discounts, interest free payment plans, crisis assistance, support for affordable housing, housing providers, leak repair programs which through pcef funding, we were able to expand access to. And the clean river rewards program, which offers customers up to a 30% 35% discount on stormwater portion of their bill if they manage stormwater flows on their property. These are all funded through our rate structure because we believe access to water is a basic need, and so far this fiscal year, our programs have helped over 12,000 customers and have provided about $10 million in assistance. Next slide. Later in this presentation, there will be some more information about sdcs and other fees and charges across the multiple service areas. We've included this slide here in support of the development and permitting fees charged by the utilities and the ordinances under consideration today, the development and permitting fees charged by the utilities generally cover system development charges, plan reviews, inspections, etc. The utilities understand the cost of development is an active current policy conversation. Our sdc fees and charge ordinance limits the proposed increase of these charges to 5%. And while we feel this is an increase both modest and reasonable, it does fall short of full cost recovery for these services that they are intended to pay for. And our hope is over the next few years, we can chart a course to full cost recovery for these services, so that the cost of development can be equitably borne by current and future residents, and the ratepayer does not have to make up the difference through higher rate increases. Next slide. Committee chair and councilors. The utility would like to conclude this portion of the presentation just with an articulation of several impacts that we can reasonably expect if rates increases are suppressed and approved, fees and charges are below full cost recovery. And for time's sake, I’m just going to highlight a couple. First, the most urgent are the risks of system failure. When resources are not adequate to cover the increasing costs of operation and maintenance of our current water, sewer and stormwater systems, nor sufficient to address the sizable backlog of capital investments needed to replace assets at the end of life, or to expand access to underserved areas of our community. And the second risk that I’d like to call out is one dealing with equity, both in terms of how financial burdens are distributed among our current customers and the issues of intergenerational equity. In this latter case, we must recognize that the decisions today to defer addressing system failure risks through supporting adequate and sustained funding of our 100 year enterprise pushes those risks and costs on to future generations who do not have a voice in these current deliberations. I appreciate the opportunity to quickly run through this material. Cecilia and I are here to answer any questions that you may have.

Speaker: Thank you. We'll go to counselor green first.

Speaker: Thank you chair. And I’d like to convey we had a similar presentation during the transportation and infrastructure committee. And chair clark asked me to convey the consensus view, I shouldn't say 4/5 view of that committee regarding the scheduled proposed rates. And our view was that we do not support the 5% reduction in the rate increase. It's a mouthful because of the de minimis impact to the retail ratepayer, relative to the opportunity cost of what we are giving up in terms of our ability to execute our plans, especially in light of a tariff regime or, you know, increasing cost bias landscape. And so we would and in fact, I do intend to bring some amendments to this ordinance later on that change that and restore it back to the original. I think combined 6.33% is what what we would have for water and sewage. So i'll just say that now, just so you guys know what the previous committee had had talked about.

Speaker: That's great. And it highlights, I think, an important point as we navigate items that are going to come to multiple committees. So councilor clark and the council president and I worked out how this would happen so we can have a full conversation on the operational side of the policy and then a full conversation on the finance side. So thank you, council, for bringing that up. Let's go to vice chair pirtle-guiney.

Speaker: Before I ask.

Speaker: My question of the presenters, councilor was the one person who didn't agree with that consensus position of the position that we should maintain the 5% reduction, or did they have a different non consensus position?

Speaker: That's an excellent question. They did not feel like they had enough information to kind of evaluate that at the diocese on the fly. Was curious to learn more. But that was not an oppositional position.

Speaker: Thank you.

Speaker: If we restored the 5% reduction in the increase, would that put us at a cost recovery level, or would that still be below a cost recovery level?

Speaker: Let me do that.

Speaker: Sure. My name is cecilia heun, finance director for the Portland water bureau. It really we need to go back and look at the all of the expenses that we would like to be paying for, essentially the rates for development. I mean, based on the rate that we have been directed, we developed the budget at the level that the rate supports. So right now it's at full cost recovery if you want to think about it that way. But the reality is we're having to reduce positions, we're having to cut in areas. And so it really depends on the service level that we want to be at. And the programs as far as the program that we want to be implementing or delivering.

Speaker: And what was the cost difference for the average full cost rate payer? If we restored that initial cut.

Speaker: As far as expenses, we would be looking at a million each for each of the bureau, per bureau.

Speaker: For the ratepayer. So what is the cost? You said that the increase was about $9 in the current proposal.

Speaker: The increase for the entire bill from last year's rate to this year's rate, under the mayor's guidance, is about $9. The delta for the mayor's guidance is about $0.50 for the average customer.

Speaker: Did I catch you say that with this 5% reduction, you would need to adjust the rate increases on the graph that you showed us to be higher next year and in additional out years to make up the difference.

Speaker: That is correct. And maybe to coattail a little bit on cecilia's point, we file a balanced budget. So as the revenues change, we adjust our service levels and therefore our expenditures to match that revenue so that we have a balanced budget. So we are reducing service levels to meet the revenue that we're expecting. That comes with risk. And so ideally we would be adjusting service levels based on risk mitigation and not on available resources. So with the restoration of the revenue, we would be able to tick up our service levels to the current level, which we are in this current fiscal year, which would be more advantageous for risk mitigation.

Speaker: I mean, you talk about risk and service levels. Are you talking about customer service for somebody who is asking for someone to come look at something on their property or answer a phone call, or are you talking about investments in infrastructure and maintaining our our pipes and our connections?

Speaker: It's.

Speaker: Both. It's both. There is no direct connection between apportionment of the revenue to those particular programs. It goes into a pool, and then we manage those resources based on priorities. So by reducing our overall resource pool, we have less to do. The customer service, the affordability programs, the community engagement. We also have less to do. The capital planning to do the environmental monitoring and less cash available to put towards capital investment.

Speaker: Thank you.

Speaker: Councilor novick.

Speaker: Hi. My first two questions reflect my rustiness on these topics because it's based on ten year old memory. One is ten years ago. I think that it wasn't possible to do discounts for low income people in apartments. We only did them for people in houses is that I think that's been fixed. And you figure out a way to do it for people in apartments. But I might be wrong.

Speaker: We've made some progress addressing that issue. The philosophical not the philosophical, the technical issue with with offering bill discounts to multifamily housing is we can only build to where there's a meter. And a multifamily housing typically has one water meter. We're addressing this through our ramp program, which focuses discounts to affordable housing units, and with the intention working with the housing bureau, that those discounts will filter down to the residents in those units. But we still have the problem of not being able to directly monitor usage in multifamily housing and therefore provide specific discounts.

Speaker: Okay, so unless it's officially affordable housing, you still can't really do the discount. That's correct. Okay. Second is I seem to recall that it used to be that everybody was charged, I think for both water and sewer as sort of a base rate, not based on usage. And then an additional rate based on usage. Is that still true?

Speaker: That that is still true. We have a base charge to service the account, to do the billing, to do the meter reading. That's a fixed charge per account. And then we have, of course, the volumetric charge on their water usage. And same thing with sewer and water.

Speaker: So what is the base charge.

Speaker: The base charge is a fixed fee that we charge all accounts. And the revenue goes toward the customer service handling all the calls, doing the meter reading and so forth.

Speaker: But but I'm saying for a typical family, what is that cost?

Speaker: I want to say it's let me look that up real quick.

Speaker: $68.

Speaker: What about we got it. Do you have it like 68? 69 is right on the coast, 60, 69.

Speaker: So it's about $69 per quarter.

Speaker: 69 per quarter is the base charge?

Speaker: Yes.

Speaker: So that's isn't that the majority of most people's bill.

Speaker: No, no.

Speaker: The upper quarter sorry. Not per month. All right. So yeah what percentage is that like maybe a third.

Speaker: Probably close to 40% would be my guess.

Speaker: Okay. And I was just curious is that do other jurisdictions do something similar or are there other jurisdictions that, you know, allocate those costs that relate to everybody, allocate them still on usage too, or is that is what we're is there any variation on that or is everybody pretty much do the same thing?

Speaker: It is industry standard to have a fixed charge similar to the base charge that we have. And it varies depends on the methodology that's used. Some will actually calculate based on those customer service, you know, expenses related to do the doing the billing. Others may put in additional other expenses as a way to increase their fixed income coming in. So there is a variation as far as the calculation or the methodology for the base charge. But for the most part, all utilities charges a base charge fixed fee.

Speaker: This is largely academic interest and there's absolutely no hurry. But I would love at some point in the next couple of months to see something on the various different methodologies. Finally, I just wanted to. Did you say that the Portland clean energy fund pays for something?

Speaker: Yes. I mentioned that through pcef funding, we were able to expand our. What was. I’m blanking on the name the. Let me find.

Speaker: It leak repair.

Speaker: The leak repair program. So often undetected leak repairs lead to higher than expected bills. And for qualifying folks, we provide some funding to remedy those leaks.

Speaker: Thank you.

Speaker: And if I might chair zimmerman. So I do want to.

Speaker: Introduce yourself and then.

Speaker: I’m sorry. Yes. Quisha light interim director for the Portland water bureau. Councilor novick on your questions regarding the base charge. One of the things we did look at this year, we did a scan with our a lot of other utilities looking at the base charge. And one of the things we have to remember, our base charge, while it's about 15% of the average bill, it is quarterly. So and it's across both bureaus. And when we looked at it, those other utilities were charging anywhere from 15 to $30 per month. So we fall in about where everyone else is and they may call it a fixed cost. They may call it a base charge. They're going to call it different things. But when we looked at it, we were basically in the middle with a lot of where they were.

Speaker: Thank you.

Speaker: Yeah. And I’m sorry, just a correction. It's about 15% of the total water, sewer and stormwater bill is the base charge. I’m just sort of stuck on thinking about just the water portion that I manage. Yeah.

Speaker: Yeah 15%.

Speaker: Yeah.

Speaker: Thank you for those questions. Councilor. So I appreciated the impacts and the risk slide. I am curious though, what these bureaus have done to rightsize in reflection to this new form of government where we have some centralized services insofar as we now have a central engagement group, we have a central communications group. If we are having a core services conversation, I am struggling with how many communications professionals exist in the bureaus where our rates are going to that when at the same time, Portland taxpayers are with general funds supporting centralized comms engagements, equity. Et cetera. So those other types of support services, what can you share in terms of this new transition that these bureaus have done to give us faith that we are not being double charged for a similar service in these bureaus that have enterprise funds? Thank you.

Speaker: Thank you. Councilor. I think that the. It's early days yet. And if I have this chart in my head, the j the j curve of realizing efficiencies often we're in the we're in the early days of implementing these centralization programs. And there's a little bit of disruption in alignment that we're experiencing right now. So I think we're completely in support of the notion of centralizing and having more consistent and efficient internal service levels. But we're we're kind of in the alignment phase right now. So I can't say that there has been tangible benefits that have been realized at this stage. But we're expecting those and we're we are the utilities are committed to supporting the citywide approach for those policies. But it's like I said, early days and I think we haven't quite received the benefit.

Speaker: I, I appreciate the amount of change that is on the horizon. I would also say that it's been very clear that the centralization was going to happen for a while. And so to see a rate structure that doesn't reflect a smaller footprint from the internal side gives me a little bit of pause today. Because what that looks like is we grew one side of the government without doing anything to the other enterprise funds, and that seems off kilter to me. The. You know, we've had some employees come to these listening sessions, and while they have important jobs, when I think about core services to the delivery of water, there are some things that, to me, when these employees have testified, seem very much in the auxiliary services that are offered from the city administrator's office. And so one of these has to give to be right sized. And I'm not seeing that come off the page right now. And I hope that when we when we have a discussion just in terms of the, the future of how fees are developed, that that the size and the services offered by an enterprise fund should be part of that conversation. And it doesn't appear to me right now that the operational plans have met this new form of government, where you have centralized supportive services from the general fund. So I don't know that it's answerable today, and that's okay. But I'm going to be cautious about additional increases versus the freeze, because I don't think that part of this work has occurred yet. And that and i, I think it should have. Any other questions with this group before we go to the next section. Okay. I think we can go to the next section then.

Speaker: Good afternoon everyone. Jeremy patton again with pbot finance. Go ahead and jump to the next slide. So pbot city proposals. We have an annual ordinance in front of you today that contains over 400 fees across seven separate schedules. These fees cover everything from parking permits to temporary street use permits, street openings, street car, aerial tram fares, towing, taxis, rideshare services, etc. Across a number of different ordinances. 75% of these fees are either held constant, a few of them are actually decreasing, and most less than 5%. There are some fees that are above 5%, usually in that 5 to 10% range, and we've listed a few of those fees just on this slide for you to look at. But there are other fees, and we're happy to kind of jump into each of those schedules as you see fit. Next slide please. What I'm mostly going to be focusing on today is around parking meters. So pbot is in the final stages of implementing its performance based pricing for parking rates, as outlined in the parking management manual approved by council back in 2018. So parking is paid in 15 minute increments, requiring hourly rates to be evenly distributed or divisible by four. And for consistency, and because our meters can't issue pennies, we typically like to increase those rates in 20 cent increments. So an important part of the performance based pricing is setting a baseline meter rate and then adjusting those parking rates in the parking districts based on demand moving forward. And the parking management manual also suggests that our rates fall between that $1 to $5 per hour. As we surveyed folks in the past, we've they've indicated that parking rates in the Portland area have not influenced their decision to park in the meter districts. And based on those surveys, we believe that we've not yet hit our minimum baseline meter rate. And so the meter rates on the next slide is kind of aimed at kind of getting to that baseline rate. Next slide please. So the adjustments outlined on this particular slide reflect a 25% increase in each district, ranging from increases of $0.40 per hour to $0.60 per hour in each of the districts. These increases will not only manage parking demand, but are also expected to generate an additional $6 million per year in general, transportation revenues that will help mitigate the bureau's current funding shortfall. Some preliminary conversations with parking district committees have shown support for these increases and moving forward with performance based pricing changes in future years is definitely an idea. An area of support from those districts. Each of these meter rates would be effective July 1st, and then the event rates, as you can see on the bottom, would be effective as of January 1st. And I'm happy to answer any of the questions or dive any deeper on any of the fees or on around parking.

Speaker: We'll stay on that slide, please. Councilor novick.

Speaker: How are you doing? Performance based pricing. I think san francisco has some fancy system where it can literally be adjusted like hour to hour, based on demand in a particular location. Are we able to do that yet, or is it more, you know, week by week or something?

Speaker: Hours are not hour by hour yet. I think based on the limitations of the software that we currently use to collect. But they would be we'd be looking at it. Yeah, not in an hour by hour. At this point it would be much more probably adjusted multiple times per year maybe, but definitely not ad hoc. And i'll look to wendy to make sure that that's present.

Speaker: Yeah, i'll just come on up and wendy cully, I'm pbot city traffic engineer and the deputy director for transportation operations. We are basing our performance based pricing right now on subdistricts. So we are looking at parking utilization in various subdistricts downtown and in northwest, central eastside and in lloyd. So those fees don't change our per hour as of yet. Yeah.

Speaker: But when you say a maximum adjustment to allow for performance based approach, that means that within that additional $0.60, you'll sort of play around with it based on what you see in terms of actual usage.

Speaker: Yeah. The maximum annually that our parking management manual allows us to increase is $0.60. In some cases, after we take data, if it looks like parking utilization has gone down, we can actually reduce parking fees in a subdistrict if it's showing low utilization. But we wouldn't go more than 60% or $0.60 in one year.

Speaker: Thank you.

Speaker: Councilor green.

Speaker: Thank you. Chair. Do you have a sense of what our average utilization rates downtown are right now?

Speaker: I don't know, I can get that information and share it with you after this.

Speaker: That would be helpful. Thanks.

Speaker: I jump in myself. What was the increase last year to parking rates? It it felt significant. What was it?

Speaker: It was $0.20 in each of the districts for the between last year and this year.

Speaker: Okay. I'm going to councilor I'm going to finish my line of questioning. Then i'll go to councilor. Pirtle-guiney. Similar to what councilor green indicated an amendment. Colleagues, I will be proposing an amendment to this schedule, which is no change to the staff proposal for the bottom three, which are event based. But I will be proposing a no change to those that are listed above. And my reasoning on that, in fact, today is April 7th, when a number of city workers are back in office full time. You guys know a lot of my history in terms of trying to revitalize downtown and other districts in the post pandemic era, and I will not be supportive of increasing day to day parking fees for folks who are coming to downtown. While I think we are still looking to increase foot traffic, and I think extending that to the east side, the lloyd, markham hill and the northwest districts is equally fair. So I'm flagging that for you so you can see it on this screen. The non abate event based again I will be proposing an amendment for no change to those non event based parking districts. Councilor pirtle-guiney.

Speaker: Thank you chair. Before I ask my original question, what would the impact to the bureau be of not increasing parking fees? Is that a significant budgetary impact or is that a pretty minor budget budgetary impact?

Speaker: If we don't increase the fees at this level, it is about $6 million of what we are assuming could be additional revenue, so that $6 million would need to be found within reductions elsewhere. We also build in as part of the $0.60, $0.08 of that is already built into the forecast. And so that's kind of we would have to take that out as well. But it is the totals around 6 million with the events, I think that drops down to closer to about 5 million or so. If we include the event increases and just not the parking.

Speaker: So 6 million but only $0.08 is in the forecast. So does that mean that the budget that you built that was considered in the city administrator's proposal was built on $0.08, but the budget that you have been building with the mayor, that will presumably see in a few weeks is built on the full cost increase.

Speaker: Yeah. So the city administrator's budget that came out, I think that has a set of shortfall around $19 million assumes the $0.08. Any additional on top of that would help cover that shortfall.

Speaker: Got it. Councilor green, was there any input from transportation and infrastructure on these fee schedules that we should know about?

Speaker: I believe not during the prior session. We did not have discussion on that.

Speaker: Okay. Thank you. You did not talk about this, but in the slide that you had on fees that were going up to full cost recovery, sidewalk cafes and vending cart permits were on that list. And that's a space similar to the comments councilor zimmerman made, where I worry about reactivating our city and making sure that those are still accessible. Costs for our restaurant industry, what does that increase actually look like? From what cost to what cost?

Speaker: Give me a moment. I could probably find that.

Speaker: Great. Thank you. Happy to let others talk in the meantime.

Speaker: While he finds that the second part of my question would be in terms of what do where does the revenue from parking go to?

Speaker: Depends on where it's coming from. We have different parking areas around the city and in northwest. Some of the net meter revenue goes to projects that support pedestrian and bicycle access and transit projects. On the central east side. There's also a parking area that goes to that, to those types of projects and improving the district in central east side and go. Lloyd lloyd district also uses it for like a transportation wallet to provide transit subsidies and other measures that offer opportunities for folks to travel in other ways besides automobile.

Speaker: So none of that was pbot staff that you listed.

Speaker: Pbot staff is associated with that. With with the revenues that come in, we do net meter revenue sharing currently. And so half of that, about half of that stays with the bureau and half of it goes back into the district.

Speaker: And the I’m familiar a little bit with the central east side getting i'll call it a revenue share, where they get some decision making on how those. Are there any changes to that program where these districts don't get a say anymore, or they don't get a benefit to having a parking district? Is there a change proposed to that?

Speaker: I’m going to ask jeremy to help answer that question on where we landed.

Speaker: That's okay. You were talking. I can repeat it. You were. For those that didn't see it, you were talking on the right thing with a colleague to get my question. There was, I’m familiar with the central east side. When they agreed at one point to have a parking district, they were sharing in some of the revenue that was generated in their district, and they had some decision making on how it was used. Are there changes proposed to that or any of the agreements across, and that they wouldn't have a share in those parking revenues moving forward or how they're used?

Speaker: There are balancing options that are currently on the table that we submitted as part of the request. That would look at pulling some of those shared revenues back in to help balance the overall budget. But that's still a decision. That's that's up for debate and consideration.

Speaker: And where is that debate occurring.

Speaker: Now would occur within this budget process to decide whether or not that we treat it as a reduction of the transfer of the sharing of the revenue, and to move that revenue back into our overall pool to help balance.

Speaker: I appreciate that transparency, colleagues, because it's one of those where certain districts have, at some point in their history, agreed to a parking structure. And we're looking at fairly sizable increases in this coming budget year and potentially not giving them a share in that revenue anymore, which I think will land with, whatever the appropriate metaphor, heavily in some of those districts. And so I just want to flag that for a moment in the, in the various districts that this for me, is slightly more than just a sense increase over the current year. Councilor novick you have a question?

Speaker: Yeah. I just want to clarify what percentage of overall parking meter revenue. I realize that varies district by district, but overall goes into sort of pbot general revenues that can be used for things like basic street maintenance.

Speaker: So all of the revenues collected in the downtown district all go into general transportation revenues, and then 49% of the revenues from the other districts go into general transportation revenue.

Speaker: Thank you.

Speaker: I’m not seeing any other questions in this section. So I think we can move to the next topic.

Speaker: And I will get an answer to the other. I'll find it and i'll.

Speaker: Answer.

Speaker: Thank you.

Speaker: Any. Okay, okay.

Speaker: Part three of this rodeo.

Speaker: Thank you counselor I’m priya, the nepal dca for public works and I’m here to talk about. We're transitioning now to the system development charges section. The sdc is collected for bs water pbot and parks. And I’m going to see if my colleague dc oliveira is able to join us at the podium as well. Next slide please. First, Oregon state statute system development charges are one time fees paid at the time of development for water, wastewater, storm water transportation and parks infrastructure sdcs are for capital improvements only and cannot be used for maintenance or to correct existing deficiencies. And there are two types of sdcs charged within the city reimbursement and improvement. Next slide please. Bs and water sdcs are collected on a reimbursement basis, meaning we collect the sdcs to pay for infrastructure that we have already built to accommodate growth. Whereas parks and transportation sdcs are considered improvement based, meaning we collect them to pay for infrastructure that have not yet been built. These fees are calculated based on a ten year future project list to accommodate growth. Pbot pbot typically discounts its project list by 50% during the rate calculation, meaning the fees are half of what is legally allowed to be charged, and parks based its fees on an entire project list, meaning they charge the fully legally allowed amount. Both pbot and parks rates are indexed to inflation per city code, and therefore do not require them to be approved each year in the fee ordinance. And next slide please. And with this I'm going to pass it on to rashad to go over the slide here.

Speaker: Again for the record. Farshad allahdadi bs sdc increases the excuse me sdcs increase as the value of the systems increase. This is due to continual investment in maintaining the systems and in more recent years, system replacement costs which have increased considerably due to higher construction costs. In fy 2324, council made the decision to hold sdc rates constant to prevent an ongoing impact to this revenue source. Transportation treated the freeze as a one time action and increased its rate in the 2425 year to accommodate for both the 2425 and 2324 needs. Water and biz do not adjust their rates to did not adjust the rates to accommodate the 2324. Freeze. The chart for water and biz here reflects both the current rates and what the rates would be if they had chosen to increase rates. If council had chosen to increase rates for 2324, in 2425 rates, sdcs are not charged at the calculated rate means ratepayers are having to subsidize that that cost as. As mentioned in the previous slide, both parks and transportation sdcs are indexed to inflation via city code. Should City Council wish to alter that increase, it would require a council action to waive the code. Otherwise it's automatic. Next slide. There are multiple waivers and deferral programs currently in effect related to sdcs that allow deferred payments reductions for affordable housing and short-term shelters. Here are a few of them. Deferred payments, accessory dwelling units, mouse masks, outdoor and short term shelters, office to residential conversions, and occupied recreational vehicles are all examples of sdc waivers and deferrals under title 17.14. Next slide. This is a slide. And the next slide are examples of total fees paid for differing types of developments. And this example we have a four story, 50 unit apartment building at an estimated value of 4.2 million. Sdcs account for the lion's share of the total charge. Development costs sdcs at $886,000, and the total development fees are 1.2 million. Next slide. For a single family residence with a valuation of $274,000, sdcs account for $36,000 with a total development fee load of 56,313. So this is just an example of what the current sdc. I’m sorry, the proposed sdcs would look like for these two types of developments. And with that, i'll hand it back to priya.

Speaker: Thank you. Rashad. The rate the sdc increases proposed in the ar for each bureau for the water and be as it's 5% for parks, it's 5.5% and pbot is 3.7%. However, I want to say for transparency that the service areas have been evaluating potential programing to accelerate accelerate housing and more information will will be shared when it's available. And I want to invite olivia to share, provide more information.

Speaker: Great.

Speaker: Thank you. Priya. Excuse me. Donna. Donna oliveira for the record, counselors are currently evaluating how we stimulate housing production of all types across the city. So we're looking at everything from permit improvement, increasing permit timelines, but also looking at the cost to ensure that some of these projects that currently have a feasibility gap of upwards of 30%, we can draw that down to make them pencil out in a way that gets cranes back in the air and shovels in the ground. So contemplating sdcs is part of that evaluation.

Speaker: Okay, councilor green.

Speaker: Thank you chair. So it's my understanding by these materials that system development charges for a new development project range between basically 20 to 30% of the capital stack in terms of its total cost, and it's like 30% for maybe 28% for multifamily, a little lower for single family. On average. Do you have a sense, do you, silveira on you know, I know we've got some permitted projects out there that are just waiting on financing. How much of the financing gap, what's the percentage there? Is it 30%? Is that what you're saying? Great question. So councilor, it largely depends on the product type, the housing product type, multifamily, single family fourplex and also location. So the valuation of the land that goes into that, there are product types based on location that sdcs currently would basically would bridge if we were to suspend them as a, as a hypothetical would actually bridge the financing gap, would would make that project pencil out in other cases, while important, the sdcs only make up 4 to 6% of the total cost of the project. Still material, but not going to change something. Going from red to green as far as financing. Okay. And so if this if that project is not going to be built anyway because it can't get the financing to cross that hurdle, you wouldn't be expecting those sdcs sdcs anyway because they wouldn't flow. And so in some sense, would you think it's fair to say that waiving an sdc for a property that's in that sweet spot is basically like a really low cost subsidy on the order of like inclusionary housing as an analogy. Great question. I think that's what's being evaluated as we speak. Okay. Thank you. And i'll just leave. I'll leave it here with I know that there is a sort of equity issue with ratepayers picking up the cost, like sdc goes down as a share of infrastructure costs as a whole. That necessarily falls on ratepayers. But I would submit that if we can incentivize new housing production, we're growing our property tax base, which extends the rate base. So these are things I hope we all consider here as we think through this.

Speaker: Thank you, councilor green. Others, I’m going to do a look around before we move on to the next topic. Okay. Sdc has made it out with one question. Get out while you're ahead.

Speaker: Yeah.

Speaker: May I ask a question, please? You had a question about the centralization of services and the reduction of footprints in water and pias. I'm happy to provide a response now or at the very end up to you if you would like.

Speaker: Let's let's discuss toward the end. Let's get through these. I want to be cognizant of the time, but thank you very much for that follow up.

Speaker: Sounds good. Thank you. And with that, I would like to pass it on to david gunnarson, interim director of Portland permitting and development.

Speaker: David.

Speaker: I good afternoon.

Speaker: Councilors. For the record, david kuhnhausen, interim director of Portland permitting and development. I'm joined today by our deputy director and finance manager, kyle o'brien. As you all know, 98% of pad's ongoing funding comes from fees and charges for the services that we provide, with only 2% of our funding coming from the general fund, as we've all seen over the last two decades, the construction industry is extremely volatile, and our fee revenue is directly tied to those fluctuations. And as you all know, current market trends are creating obstacles for development, and we're certainly seeing those effects in the city of Portland. Over the last several years, pad has seen far less demand for large scale construction. We've seen far less projects moving into the construction phase to councilor greens point. Many people are just waiting on financing and some projects being canceled outright because they no longer have the means or the desire to build in the city of Portland, because permit fees are based on the project valuation, large scale projects make up the disproportionate share of pad revenue. While there is admittedly less permitting volume than there was pre-pandemic, from 2020 to 2024, the calendar year we saw 107% increase in the number of commercial and residential permits that have been submitted. However, many of those projects were for commercial and residential alterations, not new construction. So not those large scale developments, not with those high valuations. And because of that, that we're seeing lack of cost recovery for from the permitting revenue. So while the workload is still high, project valuations are low, lower permit fees, less revenue overall. While we started, when we started to see a decline in permitting activity several years ago, numerous cost saving measures were put into effect. However, due to the prolonged nature of that downturn, our management had to make the difficult decision to cut 74 positions in early 2024. Despite these measures, pad has continued to draw on our reserves, albeit at a slower pace. And should we see further reductions in staffing levels, there will be a pronounced impact on service delivery for the public and to other bureaus that we assist. Next slide please. I’m sorry. One more slide. Pad is extremely fortunate to have the input from the financial advisory committee, which is a very unique and beneficial committee that we work with in our financial planning process. This committee is made up of local economists and other development industry experts, and they provide us with our expert opinions on future construction activity in the city of Portland. Over the next 1 to 5 years. We use their input to inform our own projections, and they review and sign off on our models and projections for both revenues and expenditures. With the construction industry being notably notably, notably volatile and difficult to predict. Our financial planning process is extremely challenging. However, we go through a very rigorous process working with the financial advisory committee to develop the best possible projections. This year, the focus of the discussion was largely on how long this current downturn is going to last, and we've been told that to expect at least another 18 to 24 months before development activity picks up in any meaningful way. Some factors impacting development as you're all aware of high interest rates, declining market values, volatility in the financial markets, which we're seeing a lot lately, as well as the continued narrative that Portland is not a place that developers want to invest. It's important to note that the fee increases that we're proposing are not going to bring the bureau to full cost recovery. Rather, they're just keeping up with the rising costs of providing services to the public. Next slide please. The fees and charges that ppd collects are used to help support the services that staff provide to the public. Nearly all services provided by the staff are funded solely through permit fees and charges for those services, staff seek or staff provide customer service in many ways, including assisting customers who are seeking general information. Assisting customers who have submitted a permit, whether in plan review or in inspections, and by inspecting those buildings. Many of the services that we provide are free of charge. We have held an average of 12,015 minute appointments that staff participate in with members of the public over the last three years. Again, those are free of charge, as well as numerous ad hoc meetings held by review and inspection staff and participation on technical advisory committees. We have a diverse group of customers who we work with daily, and they vary greatly in their knowledge and experience of development and permitting. We assist homeowners, commercial tenants, architects, engineers, contractors, developers and many others with services. Staffing reduction will not only lead to increased review and inspection timelines, but will also reduce our capacity to answer those questions. Those questions that we currently answer free of charge. It also impact our ability to answer questions and concerns about potentially unsafe structures or other safety concerns in the neighborhoods in the city of Portland. Next slide please. As I mentioned in a previous slide, our proposed fee increases will not bring the bureau to 100% cost recovery, but rather just keep up with those rising costs. Some of those rising costs are non-negotiable, such as mandatory pers contributions, health and benefit inflation, costs associated with labor agreements, increased city internal services costs such as rent and technology support and insurance and other costs. Regulatory complexity so either adding to code or removing code add substantial cost as well, as it takes more time for city staff to review plans to keep updated on those changing codes and to communicate those code changes to our customers. Next slide please. As you all know and as i'll share in a future slide, the construction boom that happened in the city of Portland in about 2013 allowed ppd to operate above cost recovery and build our reserve fund. Due to that, between fiscal years 1314 and 1819. So a six year span, pnd not only froze fees for most of our programs, but we even decreased fees in fiscal year 1617. We did this because there was an understanding that council had a desire to keep fees low, so we didn't seek any fee increases during that time. However, the costs associated with our staffing and other other costs for the bureau continue to increase annually. So once permit fees began to drop, the bureau was left with with without sufficient revenue to cover those costs. And then ppd has been gradually increasing costs over the last couple of years to keep up with those increased costs that we're seeing. Next slide please. For the future fiscal year, ppd is proposing a fee increase for most fees of 5%. This is projected to increase annual revenue by approximately $3.3 million. This is also the first year that p d is incorporating public infrastructure review fees into our own schedules. So those fees are moving from the parks and forestry group, the water group pbot and bts into the ppd fee structure. On this slide, I show the impact of the proposed ppd fee increase to a typical single family resident residential permit, which at the last presentation also used with a valuation of 274,000 and change the ppd fee increase given the 5% proposal, would increase the fees by $521. On the commercial side, although it's not shown on this slide. Using the same valuation of $4.2 million, that ppd fee increase would equate to

$7,263, so that's about 13% of the overall cost for that development. And as other bureaus do, we also offer a fee waiver process for low income, low income applicants, which we would very much like to continue to offer. Next slide, please. As you're all aware, pnd is in the midst of challenging financial times. And although we've we proceeded with those layoffs at the beginning of 2024 and reduced our workforce by approximately 19% already, the bureau continues to draw on our reserves pretty heavily. Without intervention, pnd reserves will be completely depleted sometime in 2026. If that occurs, the bureau will need to implement extreme measures to reduce expenditures. Our services would be cut, programs completely eliminated, permitting timelines would be heavily impacted. And perhaps most importantly, pnd would once again be unable to support the demands of the development industry. Just as permitting was starting to pick back up. This is a scenario that we must avoid at all costs. The work that this bureau does is an essential service, and there is no other agency that can. We can shift this work to. In order to support the revitalization of the city, it's imperative that we have experienced and capable staff able to assist customers with their development needs. Fee changes are an important facet of the bureau's strategy to continue providing services through this downturn. We're also doing everything we can to limit expenditures, including those layoffs that I already mentioned and implementing a bureau wide hiring freeze. And just to make things more concrete, a 1% fee increase avoids the layoff of three employees in the bureau. Next slide. And before we move into questions and discussion, I do want to conclude the presentation by saying that we have conducted outreach. We have notified the state of Oregon that we intend to increase fees by 5%. We work closely with the development advisory committee, which is made up of representatives, representatives from a broad spectrum of groups involved in development, review and permitting. We will be presenting these fee increase proposals to them this month. Our managers are reaching out to key industry groups that they all work with on a regular basis, to inform them of these changes. We will be posting notice on our website not only of these fee increases, but we will also be sharing the fee schedules as proposed as well. And with that, we're available to answer any questions.

Speaker: Thank you mr. And colleagues, questions or comments for this section. Vice chair pirtle-guiney.

Speaker: I'll jump in with a few if we have time.

Speaker: We've got a couple minutes. I think it's important.

Speaker: You showed us a slide that had fees held flat or lowered for about a seven year period. Have we reached the point with fee increases to essentially make up for that to catch back up where fees would have been if we had increased fees with costs over that period of time? Or are we at this point above or below that level?

Speaker: So that.

Speaker: Period of time that david talked about? Elshad hajiyev, deputy director for Portland permitting and development. So I will have to go back a little bit in time and go back to 2008 and nine, when we experienced the great recession. Right on the heels of that, we had to lay off 50 more than 50% of our staff, and we went with very high fee increases at that point. For several years in a row, those fee increases were around 8% across the board. So when the activity picked up, especially in the multifamily construction, the bureau was that the cost recovery and the goal is to operate at that cost recovery and not to charge excessive fees to developers and homeowners. So at that time, we stopped charge, stopped increasing our fees. So if you look at the larger time period, so we are if you kind of equalize all of those fee changes, we did kind of we're catching up with those expenses. But at the different times basically. So I to answer your question, I would say we are probably at the kind of at that equilibrium right now.

Speaker: Thank you. And then you showed us the slide a few slides later that talked about fee revenue. And I hear you saying that you've had a significant number of layoffs and reserves are drawing down, but fee revenue is also still up at about double what it was just over ten years ago. Have costs gone up at over double what they were ten years ago? Or why is it that that we need to sustain revenue that is so much significantly higher as we're laying people off?

Speaker: Yeah, I would certainly make sure my colleagues have an opportunity to answer that question. But absolutely, the construction industry has seen a dramatic increase in labor and construction and materials, and with that comes a higher valuation for those projects. Obviously, we all know about the increases.

Speaker: Sorry, I’m wondering about your costs. I understand why a percentage based fee might have gone up.

Speaker: Please, it will be helpful.

Speaker: Our costs have certainly gone.

Speaker: So I’m looking at costs that are now or fee revenue. That's now around 50 million there. When our fee revenue was in the, you know, 30 to.

Speaker: 40,000,010.

Speaker: Years ago. And I’m hearing that it's still not keeping up and that we're having to make massive layoffs. So what has happened? Has it been increased cost of staff like you showed for this year? Has it been that staff actually significantly increased. So we're now equalizing back down to the staff level that we had previously. Is it that there are other costs within the bureau that we don't know about? Why is it that your costs are so much significantly higher that even at that higher revenue level, we're drawing down reserves?

Speaker: There are I'm going to start with kind of describing where the costs are coming from. So approximately 70% of our costs are labor costs, 30% are material and services including rent it, you know, all of those things. So if you look at the how those the labor costs increased year after year especially, you know, if we go back to what's shown on this graph to 2001, then, you know, we need to take into account colas. So every year we have a call approximately 3%. So last several years that cola was actually way higher than that because of the because of the inflation. A majority of our workforce is represented workforce. So those colas in their contracts, they have also step increases that also in their contracts. And every single year when i.

Speaker: Know we're tight on time, I don't want you to go through all the costs. But what I'm hearing is that these are costs driven by cost per staff. It's not that staffing rates went up significantly over that period of time or that other costs rose.

Speaker: It's a per our those staffing costs are going up. It was every new labor contract. Those costs are going up. And this year this year is specifically high.

Speaker: Thank you. On one of your slides, mr. Kuhnhausen used 274,000 as a valuation for a single family residence. Can you please describe what valuation means in this context, please? Because there are no $274,000 homes on the market in Portland.

Speaker: No. Certainly not. Developers certainly build in a profit. So that is based on the cost of the construction. So when a contractor comes in, the cost to develop those plans, the cost to engineer those plans, the cost of materials, and then the cost that they build in to the actual construction, obviously they're building in a profit on top of that. So that $274,000 house generally comes with the cost of the land. And then give or take, you know, they're selling that house for 600 or $700,000. So they're building in I don't want to speak for their pro formas, but I would assume a couple hundred thousand dollars.

Speaker: So this is a cost to build number here. When we use valuation in your context.

Speaker: Correct?

Speaker: Okay.

Speaker: Yep.

Speaker: And I just colleagues I would just highlight, you know, the cost recovery model and the 98% of the bureau being reliant on fees is a policy choice. Right. And one that I plan to address during the budget season and in the system with respect to how to move this bureau further away from being fully supported, the idea that we would raise fees in a time when no one is developing and then lower fees when they are for cost recovery, the floors fly off the page to this this style of funding a vital and important service. And so i, I think your presentation has been helpful in highlighting some of the years in which we made significant choices based on the motivations versus the need at the time. So i'll be supportive today, but this will come in as a budget note later in the season. I'm not seeing anybody else in the queue, and so I think we can move to the next.

Speaker: Thank you very much.

Speaker: We're a couple of minutes behind, so I'm going to ask you to be brief and brilliant. And that will go just fine, particularly since this is a lot of metro. Go ahead eric.

Speaker: Good afternoon, eric engstrom for the record, director at the bureau of planning and sustainability. And thank you again for a few of you who heard me this morning. I'm going to let evan polk do most of the talking. He's dps's solid waste and recycling manager. Just a reminder today that we have two elements of our waste system that that relate to this. We set residential solid waste rates through the franchise system. And we have a commercial tonnage fee, which applies to our commercial system. I also want to acknowledge quinton bauer waste operations is here if there are questions, as well as pete winfield, who's online, and also acknowledge that the Portland haulers association and folks with Oregon refuse and recycling association have been on hand to hear us. I'll take it away.

Speaker: Thanks, eric. Good afternoon. Chair. Vice chair. Councilors. My name is evan polk. I'm the solid waste manager in bts. Happy to be here with you this afternoon. And yes, we'll do our best to be very brief. We have three collection systems that we oversee residential, commercial and public trash. And we're just here today to talk informationally about the residential and the commercial, a little bit about the commercial systems. But just to note that the public trash system is something that is funded by revenues from those other two systems. So next slide please. So we're going to spend most of the time this afternoon on residential system. This is the system where we have the most regulatory authority. This allows us to manage the system for multiple public benefits and positive outcomes, including supporting recycling and waste reduction, reducing the environmental footprint of our system, including carbon emissions, ensuring financial sustainability and good jobs, and maintaining the system's reliability in a franchise. The city sets rates that are charged to customers and then the rules and terms of service. The haulers serve designated areas and compete indirectly to provide cost effective service. The system is governed by the city's franchise agreement that we have with the haulers plus code and administrative role. Under the terms of the agreement, Portland conducts an annual rate review and must set the rates to cover the cost of service delivery, plus the operating margin and the city's franchise fee, which covers the cost of administering the system and some of the costs of meeting state and regional requirements for opportunities to recycle and reduce waste. Next slide please. We have nine garbage and recycling companies serving over 150 000 households. Four of those are locally owned businesses. And our last customer survey in mid 2023, 90% of customers reported being satisfied. Last July, we were happy to add the newest recycling options in that system, household batteries, and are glad to say that in the first six months of that program, we've collected 16 tons. Next slide please. So one of the critical functions in our residential collection system is rate setting. The review is a six month process that starts in January, when haulers begin reporting on costs from the prior calendar year. We work with a cpa to vet those reports and then an economist to prepare the rate model using reported costs and forecast cost inputs. And then typically in may, the findings and new rates are presented for approval by the City Council. And then the fiscal year is when rates become effective. So July 1st disposal costs are approximately 25% of the total. And you'll see that in the next slide. But I’m just mentioning that now in the timeline, because our rates do use metro's disposal fee as a benchmark for that component of our costs. So each year we finalize our rates after metro council adopts the disposal fee for the upcoming fiscal year. And this year, metro council is scheduled to adopt that rate on may 8th. Next slide please. $0.92 of every dollar paid for by customers goes to the haulers. Approximately 40% of that covers the cost of the trucks, labor and fuel to collect four different streams. That's garbage organics including yard debris, mixed recycling and glass. Approximately 25% of the fee covers the cost that our haulers pay to deliver materials to the transfer stations and recycling facilities, which then includes the cost of waste going to landfill and the sorting and processing of recycling. Administrative costs make up that includes things like property rental, customer service, insurance and truck maintenance. That makes up about 20% of the customer payment. And then we have a system wide target operating margin of 9.5%, though our system doesn't guarantee that amount of return to any one hauler. Finally, the city receives 8% of the rate, which covers most of the expenditures already noted in meeting our opportunity to recycle and waste reduction requirements that we have to comply with in the state. Next, please. This chart shows a history of our fees over the last 12 years. Each line on this chart represents a different volume of garbage service, with the 90 gallon service level at the top, that's our largest service level. Next slide please. We do everything we can to keep rates low and affordable. If you put our rates in $2,012 and adjusting for inflation, you'll see our system has remained fairly cost effective and efficient. Residential customers in Portland today pay rates that are less than or equivalent to the rates in 2012 when you adjust for inflation. Next slide please. While we are awaiting the results of the current rate study, we would like to share with you the current rates. As you can see here, the most common service levels are the 35 gallon garbage container at a cost of 42 per month, and the 60 gallon garbage container at a cost of $47 per month. Each of those levels also, of course, includes the organics, yard debris, commingled recycling and glass recycling. Next slide please. So while we don't have next year's fiscal rates prepared, fiscal year's rates prepared, we can share general trends that we've seen so far in the information coming from our haulers and share a little bit about our expectations for the coming fiscal year. On the increasing cost side of the ledger, we expect increases in metro's disposal fee. Though the magnitude is not yet known, the overall disposal fee is actually three different components. It's a per ton disposal fee that covers transfer station operations, then the regional system fee, and an excise tax on waste. We also anticipate increased wages in the system, such as for drivers and customer service staff. Then on the on the decreasing cost side of the ledger, there are a couple of items we flagged that should help reduce costs or at least lessen increases. First, under the recycling modernization act, we anticipate receiving an incentive from Oregon's new producer responsibility organization known as the circular action alliance. This incentive is going to support continued collection of glass from businesses and residents, and is proposed at $77 a ton. We're also seeing a slight decline in the cost to process our recycling at the sorting facilities in the region, and we expect to see continued cost decreases there as the recycling modernization act is implemented. And lastly, we are seeing some slightly lowered costs for insurance this year. Next slide please. I'll close out this section on residential rates by just noting that this year we're proposing to bring two new offerings after our success in rolling out battery recycling last year, we've been working diligently to establish a low income discount program and also to add to our rates some fixed, predictable rates for on call pickup of large, bulky items such as furniture and appliances. That's a service that our haulers have long provided, but hasn't been established via a fixed citywide rate sheet. So we're proposing to take that step this year with your approval. Next slide please. Finally closing with our commercial sector system. This system is governed through an open permit system, and the city provides some oversight over how commercial haulers serve businesses and multifamily communities through code that's multifamily. Communities in our system are five units or more. So as part of their permit, haulers pay a tonnage fee to the city on each ton of garbage. That helps administer some of the same programs that I've been talking about earlier, and also critically helps to fund our public trash program. We've been expanding public trash collection services across the city since 2020, most recently in northwest and southwest Portland this year. Since 2020, we've expanded the service from around

600 cans, sorry, 700 cans. Located almost exclusively downtown to a program with 1440 cans spread throughout most of the city. And we're on the way to a projected 1700 cans. Once this expansion is complete in northwest and southwest for the coming fiscal year, the solid waste management fund is also proposing to supply an additional $1 million for the impact reduction program. That means a total of just over $2 million on a one time basis, to support cleanup of waste associated with unsheltered homelessness. So to fund the cost of services provided through the solid waste fund, bts staff recommend council increase the commercial tonnage fee by $1 per ton, which is an increase from $16.60 to $17.60. That is a reduction from the prior forecast for the fund, which had planned for a $2 increase in the coming fiscal year. We'll see an increase of approximately $304,000 next fiscal year. As a result of this increase. That concludes our slides on garbage and recycling services in the city. Hope we've been brief, if not brilliant. Always up for debate. Novick.

Speaker: It's quite possible that the recycling modernization act might have rendered this question in some way less pertinent, but it's my understanding that hardly any plastic is ever actually recycled. So I wonder if we are having people recycle plastic that then eventually goes to a landfill? And would we save money on rates if we simply told people to start throwing plastic into the trash?

Speaker: The short answer is no. Oregon has a history of being pretty conservative about what plastic we allow in the recycling, and it requires special permission from deq for any, any plastics or anything sorted correctly for recycling to be allowed to go to the landfill. That's only ever happened a couple of times in the disruption that was created when, in around 2015, china essentially closed its borders to recycling for a limited time. So there was a brief disruption that deq oversaw and permitted. But by and large, know when people recycle properly in Oregon, and especially in Portland, they can have pretty high confidence that their materials are going to get recycled. And the recycling modernization act will only improve our confidence in that regard, because it will allow deq to follow the eventual fate, the downstream fate of our recyclables, to the different markets they go to, and get accountability and reporting on that.

Speaker: Thank you for surprisingly delightful news.

Speaker: Okay, I’m not seeing any other queues, so let's move on to the next topic, please.

Speaker: Sorry about that.

Speaker: All right. Bringing up the rear, I think. Claudio campuzano, finance, property and technology manager for vibrant community support services. While most of what you heard today relates to utilities and development, I wanted to make sure that you're aware of some of the fees and charges in Portland parks and recreation. We've already heard about sdcs, which is part of the combined presentation, and last week you heard from urban forestry, so I won't touch on them too much today. So the vast majority of our operation happens in the general fund and supported primarily by general fund, discretionary and reimbursement from the parks levy, however. Oh, and next slide please. However, a small but important component of that mix is earned revenue. So excluding interagency revenue, we earned about 10.3% of our 166.7 million in total funding through rates, fees, charges and other sources. So if you've ever looked through a recreation brochure, you've seen literally tens of thousands of offerings. We have each of those with its own rate, often for residents, nonresidents. So i'll try to summarize here, but we're mostly going to be talking about gross gross amounts rather than rates. But nearly it is important to note that nearly all of our the rates and fees that we charge are not at full cost recovery, and that is by design per per policy. And I provided the key quote up here. You know, the essence is that we are trying not to allow cost to be a barrier to access to our programing and our and our activities. So that said, across the board, most of our prices are expected to go up in line with the cost of living about 2.4%. And there are a few exceptions. And i'll note some of those as we go through on the next slide. One of the most important tools that we have developed since the passage of the parks levy is the access discount. This is effectively a pay, a pay what you can model that allows participants in our recreation programing to select their discount without the need for income verification. And that has really significantly lowered the barrier to access for our programing, and has been a real success with regard to the parks levy, parks levy goals and commitments. So next slide okay. So because we've got so many different rates, like I said it's hard to summarize them just here's a breakdown by category I mentioned our catalog. That's where you find the vast majority of our fees in the forms of classes passes, drop ins at community centers, arts centers, outdoor pools. That's what that first that first bullet is. And that's really where about half our earned revenue comes from. We also permit our spaces. You may have read about the very successful wedding lottery that that happened or sorry wedding event that happened at the beginning of the year. We permit a lot of beautiful spaces for our community to celebrate and recreate. And besides picnics and weddings, we also permit special events and sports fields throughout the system. And that generates about about $3 million. I will note that that we do have an increase of 5%, suggested as part of the city administrator's budget for youth programing and 10% for adult programing. And I will note that we do think that, particularly with regard to sports fields, that may actually help increase access for youth sports by by having other users, adult users, be looking at other alternatives. So as the as the biggest landowner in Portland, with nearly 12,000 acres and hundreds of buildings, we also lease our property on the short and long term basis, both small spaces within our community centers, as well as as well as many of our buildings. So that's another area where and that is not subject to any rates. That's all based on agreements. We have a number of sites where we charge for parking as a demand management tool. This also has the benefit of generating some income. Great example there. The acquisition of the morrison bridgehead lot, where we partnered with prosper Portland to bring ice skating these past two winters. That also is a. Important lot to allow greater capacity at some of our events downtown. So often the next bullet, often utilities and other entities need access to our sites. We permit those. That's a non parks use permit and that that's really to ensure coordination beyond cost recovery. We do also charge a fee that escalates over time to incentivize those entities not to take take that property out of the public's use and out of service for as long, any longer than necessary. And we did recently update fees as part of the policy restructure to reduce the reduce the rate for small and pups. So for your homeowner who needs to get on our property to get access to their tree to trim it or something like that, and that is very, very minimal at this point. But increases increases the fees for those things that are considerably more complex. The greatest example of that in recent years has been the access point for the willamette crossing at fields park, which has taken that park for largely out of use for a couple of years. So last Tuesday, you heard from our urban forestry team. So I won't spend any time on that unless there are additional questions. I know that we've got staff in the room for that. We do have 60 community gardens throughout the city that charge gardeners for their plot uses that program also have access to discounts. And finally, we've got environmental education programing similar to recreation. We do have, you know, that also has access to the discounts. So we do have a, you know, a huge variety of products and services. So beyond what I've listed here, you know, in the 1.2 you've got concessions at community centers, for example, you know, buying, buying drinks and other snacks, etc. And a whole variety of other of other costs, other revenues. So worth noting that the list that I just went through is general fund only. We do have several other funds, two of which are self-supporting enterprise funds. Portland, the Portland international raceway, and the golf fund. And then we also have the memorial fund, which is really contains a number of restricted funds that act similar to enterprise funds, and that includes Washington park and tree planting and preservation. I did mention parking earlier. The Washington park component of that memorial fund is the parking up at Washington park, and that is governed by the multi-party agreement with all of the tenants up there. Great.

Speaker: Does that conclude?

Speaker: Yeah. The last slide is really just a summary of what you heard last week. So the only thing that I would note on this last slide is that it's somewhat different, because it does reflect this committee's desire to eliminate fees for administrative review, violation review appeal application.

Speaker: Great. I want to go back to one statement you made, and I think I heard you correctly, but please help me out, which are if a person has to access a park to then trim the tree that's on their property, we're charging them a fee to do that. I want to make sure I understood that.

Speaker: So that would be a de minimis fee just for processing the application, because we do need to coordinate access.

Speaker: Okay. Seems a little counter to incentivizing incentivizing. But I hear you my request, since I think there is importance in seeing the fees individually and not the cumulative numbers, that when this is submitted to council, if it passes today that an exhibit be submitted, because I don't think that this fully gets to the heart of how we went into some details in other areas. But this one is just the large buckets.

So in order to be short, please submit a schedule as an exhibit when it goes to full council so that councilors can see what these true fees are. Thank you. Sure. Thanks, chair.

Speaker: Parks fees don't come to council. I think that they're raised administratively. I do want to see those same things you just asked for. But I'm wondering if we can.

Speaker: Get the emotion was the desire for transparency. So we'll we'll we'll work with folks to, to sort of summarize them because like I said, we've got, you know, probably over a million once you break it down into, you know, when you pull it out of the database. So yeah, we'll figure out how to, how to do that and make sure that we're meeting. Meeting the need.

Speaker: Yeah. Thanks. Thank you for the save on that I appreciate that, vice chair. So exactly I think in in a time where we have heard more about this body of work than any other in our budget hearing so far, our budget listening sessions so far, and at a time when the bureau is asking us to go back to the voters and propose a levy, this isn't meeting the mark in terms of the transparency quite yet for how it impacts an individual Portlander. And I think that some of us have an eye to that right now in terms of how this cumulatively, how are we affecting an individual household. So there there could be some transparency that would be helpful to that message as we move forward. Thank you. Any other comments? Okay. I think that's our last part of the presentations. And I think we can go to public comment. We apparently have a couple signed up.

Speaker: First up we have julia degraw online.

Speaker: Okay. Took a moment for me to join as a panelist. Thank you so much for the opportunity to testify today. Chair zimmerman and members of the committee. I wanted to. My name is julia degraw. For the record, I am a member of district three and a member of the Portland utility board. I apologize, I'm trying to pull up my comments. Missing. There we go. And I'm here today with kyle chipman, who's also a voting member of the Portland utility board, to share our remarks. Before I dive into my original remarks, I'd like to briefly address councilman zimmerman's concern about the budget for bs and water bureau rates. I wanted to bring some nuance to the realities of the reorganization. Initially, and throughout this process, the transition has actually increased the workload for staff at these agencies and will continue to do so in certain areas of these bureaus until the system is actually in place. We at pub would be concerned about budget cuts that are not based on mindfully identifying efficiencies that can be gained under the new system once it's in place. So essentially, the pub is committed to finding efficiencies and reducing budgets based on that, rather than cutting or before having a chance to fully identify how best to reduce costs under a new system. We're focused on finding efficiencies using ratepayer dollars effectively, but want to ensure that we limit consequences in the meantime to maintenance and services for our communities. I'd like to provide a little bit more background on what the pub is. It was formed in 2015, in response to public ratepayer concerns and legal challenges. The pub has worked as a community. I think that my time my already out of time.

Speaker: You have 25 more seconds.

Speaker: 25 more seconds. Sorry, I heard a noise. Well, I guess I will cut to the chase in terms of what we're asking for here, the pub believes every person is entitled to clean and affordable drinking water, healthy communities and healthy watersheds. We center equity in our decisions and considerations. So affordability is at the core. However, the city must prioritize integrating into intergenerational equity as well as affordability of current ratepayers. We are responsible to maintain and build a resilient, sustainable system for 100 plus years into the future, requiring investments today to avoid pushing infrastructure burdens onto future.

Speaker: Thank you julia.

Speaker: So anyway, we just urge you to not okay, nevermind. All right. I will let kyle go next, who is also presenting on behalf of the pub if he is still on.

Speaker: All right. Go ahead kyle.

Speaker: Hi. Thank you julie. And thank you, council for receiving us today for public comment. My name is kyle chipman. I'm a voting member of the Portland utility board, having served since 2024. It appeared that this year's budget planning has aligned rate guidance with general fund reductions without considering the realities facing our utilities, and would result in significant downstream challenges and heightened costs over years to come. The city is creating risk by repeatedly stripping away the incremental increases that allow for the maintenance of utility services. This same approach is echoed in the current challenges faced by transportation after years of funding issues. Limited infrastructural maintenance hub recognizes the bureau's good, good faith approach to manage reductions through the elimination of hiring vacancies and the delay of capital projects as the only real options available to them. And as such, we remain concerned about the impacts and risks and do not feel these reductions are warranted. At a minimum, we ask that you retain the 6.33% combined rate increase originally planned to avoid adding risks and costs. The change is not justified with the typical household savings of just $0.50 per month. Additionally, the pub has objected to prior council's decision temporarily suspending planned increases to sdcs. This objection was rooted in an effort to prevent additional costs being absorbed by ratepayers. However, we recognize the necessity to address housing deficiencies in the city, as highlighted by councilman green's comments during this morning's transportation and infrastructure committee, who stated that a suspension of sdc increases would spur housing development and result in more taxpayer or ratepayer citywide. We would appreciate metrics on whether a 5% suspension affects the developments moving forward or if the suspension is largely symbolic, similar to how the rate decrease saved only an average of $0.50 per month. Finally, the pub would like to reiterate that equity should be the focus for rate exceptions, encouraging low income housing or supplementing assistance programs while the bureau's integrated equity into their decision making. The absence of a citywide equity tool is concerning. Rate increases to support equity advances are a justifiable investment, and we urge council to ensure every process apply an equity lens for the decisions. Consider the benefits and burdens of actions to those who are least able to bear their consequence. Finally, we had a great conversation with infrastructure and transportation this morning. I just want to say thank you to cecilia and farshad and all the bureau's representatives. They've done good faith work and we support their efforts. Thank you so kindly for the time.

Speaker: Thank you to both of you for wading through and testifying, okay. Councilors, if there's any discussion, we can have that now, but we can also I would entertain motions as we went through reminder. We'll do each of these one by one, but I want to look to see if there are any discussions before I ask for a motion on the first set. Okay, I'm looking for a motion to adopt the rates and charges for water and water related services for the fiscal year beginning July 1st 25 and ending July 30th 26.

Speaker: Councilor I intend to offer an amendment to that. Is this appropriate now for that.

Speaker: Right. If he goes.

Speaker: First.

Speaker: Please, counselor green.

Speaker: Thank you. I would like to offer to amend exhibit a such that it restores a rate schedule that would have been consistent prior to the mayor's guidance to adjust downward, the rate increases by 5%. So basically, it's not feasible to calculate those rates on the fly like this. So the amendment would be to sort of provide the guidance for the rate staff to do that work. So when we bring it to full council you'll see the new numbers second.

Speaker: Okay, any discussion on the amendment.

Speaker: I would like you to read it again.

Speaker: I, I moved to amend the exhibit a such that it restores a rate schedule that would have been consistent prior to the mayor's guidance to adjust downward the rate increases by 5%. So just brings back essentially and I think we're on water right now, the water side of the combined 6.33% instead of the slightly lower one that saves ratepayers $0.50.

Speaker: I need some more guidance if you're going to. I don't know what bill you're talking about. I know which one we're voting on. What exhibit. So could you be.

Speaker: So it is item number two, document 2020 5-1 through two. The title is adopt rates and charges for water and water related services. For the fiscal year. There is an exhibit a which is attached to this ordinance, which describes all of the rates. And what I'm saying here is that it's not feasible to calculate the impacts of all those rates here on the fly. And so the amendment would to say before this gets heard at the City Council meeting, the staff will recalculate rates based upon us, reversing the mayor's guidance to reduce their rates by 5% and instead calculating rates that would be consistent with their planned proposed cost of service rates. So that's what it's doing.

Speaker: I’m going to ask if there if staff is able to come to the dais and make sure that the interpretation is you're hearing that is clear, and it might be helpful for the members up here to hear from you. Some of those numbers that you discussed at the very beginning of this presentation.

Speaker: Cecilia, water bureau finance director, as I understand the amendment from councilor green, we are to recalculate the water user charge as well as the base charge to the forecasted of 8.1% for fiscal year 2526 instead of what we have in there, which is 5% lower than the 8.1.

Speaker: Yes, that is correct. And these are the rates that we received as a briefing package in December when we first were sort of brought in, and that was before they were recalculated with the mayor's guidance. Thank you.

Speaker: So question. So this item two that is being presented to us, we, the mayor, recommended reducing a rate and we are reversing that or that's the intent. And is that what the amend. The amendment doesn't do that though. So I guess I’m missing. Where did that change happen? If the mayor presented something and we're we've already decided that we're rejecting it, or do we have to vote to reject that first? That's what I’m not understanding.

Speaker: We so this ordinance just says hereby adopt the rates in this scheduled attachment. What I’m basically saying is that based upon the presentation this morning and transportation infrastructure and also the presentation today, I was convinced that we don't really do much for ratepayers. That the mayor's rate cut would do. It has no economic impact for ratepayers, but it has a huge consequential impact to the risk of our system. And so right here, this committee would say mayor must reverse the 5% reduction guidance in the ordinance that we would adopt as City Council as a whole. And so this is unlike other ordinances and resolutions where I’d offer a sentence here and there. And instead, with this committee, it says we are empowering the rate staff in our bureaus to recalculate the rates from our direction, not the mayor. That's what we're trying to do right now. And I think that's a legitimate practice with our rules and procedure.

Speaker: I'm going to look to staff, please.

Speaker: Chair zimmerman, committee members, the previously forecasted rates. We can provide that to you right now. I don't think a recalculation is necessary if we're just resorting back to the previous amounts. So I can give you those numbers, if that's if that's convenient.

Speaker: If you have the.

Speaker: Original exhibit a, that would have been the 5% cut that we can just adopt right now. That might help my colleague here get a little bit more comfortable.

Speaker: Unfortunately, we only filed based on the mayor's guidance, so we didn't have an original amount. But I can tell you that the original amount for water, the pre 5% reduction was 8.1% for bts was 5.15% for a combined rate of 6.33%. So those if I think if it's your intent, we would be swapping out what's in that exhibit with those three percentages.

Speaker: And. So that goes from a 6.02% overall to a 6.33%. Correct. And we're really talking about percentages of percentages here. And that's where to my colleague's point is that difference for the average homeowner is $0.50 per month in their water bill.

Speaker: That's correct.

Speaker: And that's the diminished. There's really no like you're saying, $0.50 is not a big deal. And it has a huge impact on the system overall. I want to make sure I'm just capturing the nuts and bolts here.

Speaker: Councilor that that is a correct assessment of my of my intent. And it also avoids us having to face an even larger rate increase a couple years down the road when we have to buy into a higher cost inflation rate.

Speaker: Thank you. Councilor avalos any other questions or comments? Okay. Clerk. Let's call the roll on the amendment as proposed, and I am going to restate it for clarity, is that on the April 16th, excuse me that we will amend this ordinance that directs the city staff to develop a rate schedule back to the original calculations prior to the direction of a 5% reduction. I'm gonna put a period at the end of that sentence. Is that clear for my colleagues? I want to make sure we're clear on the amendment here. Okay. Clark, if you could call the roll.

Speaker: Pirtle-guiney. I novick.

Speaker: I.

Speaker: I avalos. I zimmerman.

Speaker: I the amendment passes. Any further discussion on ordinance number two?

Speaker: Okay.

Speaker: Clark, can you call the roll on the amended ordinance? Excuse me? I, I have a I need a move in a second. Unless we've already had that. I'm looking over.

Speaker: I think we need a motion to send the item to full council for consideration.

Speaker: A motion that we send agenda item two to the full council for consideration, with the recommendation to pass it.

Speaker: Second.

Speaker: Okay. Vice chair pirtle-guiney motion. Second from green. Let's call the roll.

Speaker: Pirtle-guiney. I novick.

Speaker: I green.

Speaker: Hi avalos.

Speaker: I.

Speaker: Zimmerman I all right, the motion passes and will be sent to the full council on the 16th with recommendation for passage. Okay colleagues moving to the item number three revised sewer and stormwater charges and fees for fiscal year 2526. I would entertain at this time a motion.

Speaker: I move that we pass item number three to the full council with a recommendation for passage.

Speaker: Second.

Speaker: Okay, vice chair moves and counselor green seconds. Any other discussion? Clark, if you could please call the roll.

Speaker: Pirtle-guiney. I novick. I green.

Speaker: I.

Speaker: Pomelos i.

Speaker: Zimmerman i.

Speaker: The motion carries the ordinance to revise the sewer and storm charges for the next fiscal year. Will move to the full council with recommendation to be passed. Moving on to item four revised sewer and storm water rates for fiscal year 2526. I would entertain a motion.

Speaker: I would like.

Speaker: To admit I would like to offer an amendment to this ordinance.

Speaker: Please.

Speaker: My amendment is functionally the same as the water rates amendment. Simply directing the staff to recalculate rates for the April 16th item that would have been consistent with the pre 5% cut.

Speaker: Thank you. There's been a motion or excuse me, there's been a.

Speaker: Question from priya.

Speaker: The council. The item is coming to the full council on may 7th. So I just want to clarify not April 16th.

Speaker: But thank you dca, i, I said the 16th but noted the seventh. Thank you. There is an amendment on the floor. There has not been.

Speaker: A second.

Speaker: Okay. Vice chair seconds that any discussion on the amendment. Clark, if you could call a vote on the amendment please.

Speaker: Pirtle-guiney i.

Speaker: Novick.

Speaker: I. Green.

Speaker: I.

Speaker: I zimmerman.

Speaker: I.

Speaker: The amendment passes. I would entertain at this time a motion on the amended ordinance.

Speaker: I move that we send this ordinance to council with the recommendation to pass it as amended.

Speaker: Second.

Speaker: The ordinance was moved by vice chair and seconded by councilor green looking for discussion. Seeing none. Clark, can you please call the roll on item four?

Speaker: Pirtle-guiney i.

Speaker: Novick I green five. Avalos i.

Speaker: Zimmerman I motion carries. The amended motion carries the ordinance for the revised sewer and stormwater rates for the next fiscal year. Will move to the full council with recommendation that it be passed. Moving on to item five, adopt fees and charges for water system development and water related services during the fiscal year July 1st 25 ending July 30th 26, I would entertain a motion.

Speaker: I would.

Speaker: Move that we pass item number five to council with a recommendation for passage.

Speaker: Second.

Speaker: Thank you vice chair moves and counselor green seconds looking to colleagues for discussion. Seeing none. Clark, if you could call the roll on item five.

Speaker: Pirtle-guiney. I novick.

Speaker: I avalos. Zimmerman i.

Speaker: The motion carried carries the ordinance passes on to the full council for with encouragement to be passed. Okay. Moving on to item six revise transportation fees, rates and charges for fiscal year 2526 and amend transportation fee schedule and fix an effective date. As an ordinance. Colleagues, I’m going to offer an amendment here, and let me just turn to the correct page. I indicated during the presentation that I was going to move to amend the parking fee schedule. In your exhibit a, you'll see a whole host of parking fees that fall into the categories that I’m going to talk about. But in my comments, I think they'll be clear. I’m going. I’m moving to amend the parking meter rate proposal to no change in fiscal year 2526 for the rate for the following non event based parking rates and districts. The central east side, the downtown, the lloyd, the markham hill and the northwest districts and any subdistricts within those that are non event based. The reason I’m making this motion is that I think those are directly related to the recovery of downtown. As the district four representative, this is a significant area of concern for me, and they are also directly related to the to the day to day experience of Portlanders. And I am not comfortable at this time asking for a 30% increase across those districts. I've made the amendment I'm not seeing. I'm going to hold for a second in case there are any seconds, and then i'll move to any questions. Councilor novick, do you have a question on this.

Speaker: Or a comment?

Speaker: Okay, please.

Speaker: So I will oppose the amendment. Oh sorry, I'm going to oppose the amendment. Staff have told us that past surveys indicate that parking meter rates in Portland have not influenced Portlanders decision to park in meter districts, so we're not at the point where we're driving people away. Also, I will note that it's good practice to have street rates be higher than garage rates, to drive people to garages so that we don't have extra traffic induced by people driving around looking for street parking. And I actually just emailed mr. Patton to ask if currently our garages are full and they're not. And then finally, as you know, we are in a doom loop when it comes to transportation. I fully expect that unless we have billions of dollars injected into the transportation system, most of the streets in Portland will be gravel 25 years from now. And I am not exaggerating. So even though it's only $6 million, I think that putting $6 million less into transportation revenues of the majority of which would in fact be general transportation revenues, although with some permit districts, some of the money goes back into the, you know, district organization. I just think that that's unwise.

Speaker: Thank you. Councilor. Before I go to councilor green, I just want to note I have not gotten a second yet, and I should have waited for that before discussion. So I apologize to my colleagues.

Speaker: I will second this in order to move us into discussion.

Speaker: Okay. Thank you. With that, councilor green. Apologies.

Speaker: Thank you. Chair, I appreciate your intent. I am pretty aligned on, you know, waiving fees and lowering them where it makes sense so we can align incentives appropriately in this regard. I'll just be brief. By echoing councilor novick, I agree with the economic analysis that he's laying forward. And i'll just say anecdotally, I have a really hard time finding street parking space. So that indicates we've got pretty high utilization downtown. So I’m not going to support the amendment.

Speaker: Thank you, councilor green, before we take a vote, just a note that this this maintenance, if you will, as proposed as an amendment does keep the street parking more affordable than the garages, even in their current state or with their or with their increases. Okay, see no other discussion. Clerk, can we have a roll call on the amendment regarding the parking fees, please?

Speaker: Pirtle-guiney.

Speaker: I.

Speaker: Novick nay.

Speaker: Brain.

Speaker: Nay.

Speaker: Avalos.

Speaker: Nay.

Speaker: Zimmerman I the amendment does not pass and fails. With that, i'll look to my colleagues for a motion on the overall transportation ordinance. Transportation fees ordinance.

Speaker: I move to move the transportation fees ordinance to council with recommendation to adopt.

Speaker: Second councilor novick moves councilor green seconds looking to colleagues for discussion. Seeing none. Oh councilor pirtle-guiney.

Speaker: Please discuss briefly.

Speaker: I just want to flag that I did ask staff about the increased costs for sidewalk cafes. I don't see huge increased costs in the materials that they gave us, but in their presentation it said there were significant increased costs there. I will be voting yes to move this forward, but I do still have questions about the costs for sidewalk cafes and public street plazas, which is a big concern in my district that I will look to staff to have answered before. This is before full council. I don't believe we have time for it right now.

Speaker: Thank you counselor, any other discussion? I don't see any at this point with that clerk. Can you call the roll on item six?

Speaker: Pirtle-guiney i. Novick I green, hi i. Zimmerman no.

Speaker: The motion passes with 4 to 1 and we'll move to the full council with recommendation to be passed. Okay. Let's see. Make sure we're getting down. Item number seven amend Portland permitting and development fees schedules to improve cost recovery and service levels for customers. At this point, colleagues, I would entertain a motion.

Speaker: I move that this committee recommends to move this to City Council. Item seven I think I just said that completely the wrong way.

Speaker: That's okay.

Speaker: It turns out i'll even accept. So moved. So do I have a second?

Speaker: Second?

Speaker: All right, counselor green moves and vice president vice councilor. Okay. Vice chair seconds. Any discussion? Seeing none. Clerk. If you could call the roll for item seven, please.

Speaker: Pirtle-guiney.

Speaker: I novick i. Green i. Avalos i.

Speaker: Zimmerman i. The motion carries the ordinance to amend park Portland, permitting and development fee schedules to improve the cost recovery and service levels for customers will move to the full council with recommendation to be passed okay. Clerk, is there anything else you would like us to vote on today?

Speaker: No, sir.

Speaker: All right.

Speaker: And with that, colleagues, I’m going to go ahead and close this meeting. I appreciate everybody going on 23 minutes over. This meeting is closed.