

COMMITTEE STAFF SUMMARY

Finance Committee

Ordinance (Document 2025-123) Amend fee schedule for tree permits (amend PRK 2.03)

Ordinance (Document 2025-132) 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 2025-133) Revise sewer and stormwater charges and fees for FY 2025-26

Ordinance (Document 2025-134) Revise sewer and stormwater rates for FY 2025-26

Ordinance (Document 2025-135) 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 2025-136) 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 2025-137) Amend Portland Permitting & Development fee schedules to improve cost recovery and service levels for customers

Action Dates: April 1st, 2025 (2025-123); April 7th, 2025 (2025-132 through 2025-137)

Council Action: Referred to City Council with recommendations to pass (2025-133; 2025-135 through 2025-137); Referred to City Council with recommendations to pass as amended (2025-123; 2025-132; 2025-134)

Vote: 5-0 (2025-123); 5-0 (2025-132); 5-0 (2025-133); 5-0 (2025-134); 5-0 (2025-135); 5-0 (2025-136); 5-0 (2025-137)

Ayes: Pirtle-Guiney, Novick, Green, Avalos, Zimmerman

Nays: N/A

Absent: N/A

Impact Statements: Financial and Budget Impacts and Analysis; Community Impacts and Community Involvement

Prepared by: Christopher Herr, Council Operations Policy Analyst

Committee Meetings: April 1st, 2025 (2025-123); April 7th, 2025 (2025-132 through 2025-137)

WHAT THE ORDINANCES DO:

The ordinances (Documents 2025-123 and 2025-132 through 2025-137) amend and adopt various City service rates, fees, and charges for FY 2025-26.

Ordinance 2025-123 updates the PRK 2.03 fee schedule for tree-related services, increasing the Fee in Lieu of Preservation and Planting rates by 4.9% to 5.5% and Development Review rates by 5%. It eliminates several Non-Development Permit Fees, reduces the Administrative Review fee under Enforcement by 50%, and increases all Restoration fees by 5%.

Ordinance 2025-132 establishes water-related service charges with a retail rate increase of approximately 8%.

Ordinance 2025-133 adjusts sewer and stormwater charges and fees and service development charges, while Ordinance 2025-134 sets sewer and stormwater rates, and Ordinance 2025-135 adopts updated fees for water system development and related services. Each provides increases averaging at 5%.

Ordinance 2025-136 revises transportation fee schedules, with 75% of fees either held constant or increasing by less than 5%. Higher increases apply to select fees—including parking hourly rates, street opening permits, and sidewalk cafe and vending cart permits—particularly those fees and rates not yet at full cost recovery.

Ordinance 2025-137 updates permitting and development fee schedules, with most fees increasing by approximately 5%.

ISSUES DISCUSSED:

- Clarification regarding the purpose and allocation of rates, fees, and charges
- Understanding the methodology used to calculate and establish rates, fees, and charges
- Analysis of how current rate-setting practices influence future rate adjustments
- Exploration of alternative funding mechanisms that offset certain rates, fees, and charges
- Assessment of existing charges and fees, including their effectiveness, impact on payers, and relevance to applicable regulatory codes

AMENDMENTS:

The amendments approved by the committee made the following changes to the original draft ordinances:

- Document 2025-123: Amend fee schedule for tree permits (amend PRK 2.03)
 - Struck the Violation Review Fees under Non-Development
 - Struck the Administrative Review Fees under Non-Development
 - Struck the Administrative Review and Appeal Application fee under Non-Development
- Document 2025-132: Adopt rates and charges for water and water-related services for the fiscal year beginning July 1, 2025, and ending June 30, 2026
 - Restores a rate schedule that would have been consistent prior to the Mayor's guidance to adjust downward the rate increases by 5%.
- Document 2025-134: Revise sewer and stormwater rates for FY 2025-26
 - Restores a rate schedule that would have been consistent prior to the Mayor's guidance to adjust downward the rate increases by 5%

PUBLIC TESTIMONY IN COMMITTEE:

Document 2025-132: Adopt rates and charges for water and water-related services for the fiscal year beginning July 1, 2025, and ending June 30, 2026

Two individuals testified in committee. One individual submitted written testimony prior to committee action, and one individual submitted written testimony after committee action. General themes included:

- Acknowledgment of the increase in cost and workload for certain services that require increases in rates, fees, and charges
- Concern around the continued increase of water costs and affordability
- Request to evaluate striking certain charges and fees as considered for PRK 2.03

Document 2025-134: Revise sewer and stormwater rates for FY 2025-26

One individual submitted written testimony prior to committee action. General themes included:

- Concern around stormwater charges in areas where stormwater services may not currently be provided.

Document 2025-136: Revise transportation fees, rates and charges for FY 2025-26 and amend Transportation Fee Schedule and fix an effective date (amend TRN 3.450)

One individual submitted written testimony prior to committee action. General themes included:

- Request to remove certain changes for non-permitted work and administrative review and appeals

Document 2025-137: Amend Portland Permitting & Development fee schedules to improve cost recovery and service levels for customers

One individual submitted written testimony prior to committee action. General themes included:

- Request to remove certain changes for non-permitted work and administrative review and appeals

BACKGROUND:

City service rates, fees, and charges are reviewed and updated annually to ensure adequate funding for essential infrastructure and service delivery. These charges support the cost of operations, maintenance, and capital investment while aligning with City Code, financial policy, and state law.

Trees (PRK 2.03):

PRK 2.03 outlines the fee and charges schedule pursuant to Title 11, Tree Code. Permit fees have been eliminated, particularly due to public feedback and the consolidation of private property development permitting under PP&D, which has removed related responsibilities from this schedule. To maintain current service levels, program revenue will now be supplemented by Portland Clean Energy Fund (PCEF) resources. The revised fee schedule also accounts for inflationary cost adjustments since the last fee schedule update in 2019, aligning operational costs for FY 2025-26 accordingly.

Water, Sewer, and Stormwater Services:

Rates, fees, and charges for water, sewer, and stormwater services fund the ongoing delivery of essential utilities and the debt associated with capital improvements. As required by City Code 21.40.010 and

17.36.030, the City Council adopts water and Bureau of Environmental Services (BES) rates each fiscal year. In accordance with City Financial Policy FIN-2.06, services that benefit specific users are funded through user fees. Revenues collected through the Water and Sewer Funds are restricted to the operation and improvement of their respective systems.

Transportation:

The Portland Bureau of Transportation (PBOT) annually adopts over 400 fees across seven schedules, covering parking permits, right-of-way use, street openings, transit fares, towing, taxis, ride-share services, and event permitting. In 2018, PBOT implemented a Council-approved Parking Management Manual that introduced performance-based pricing, using demand data to adjust parking meter rates. While survey data indicate current rates have not influenced parking behavior, rates continue to follow the manual's guidance—setting baseline rates between \$1–\$5 per hour, with event district rates ranging from \$3–\$10 per hour. To maintain consistency and meter functionality, hourly rates are set in multiples of \$0.20.

System Development Charges (SDCs):

System Development Charges (SDCs) are one-time fees assessed at the time of development to fund capital improvements in water, wastewater, stormwater, transportation, and parks systems. Authorized under state law (ORS 223.297–223.314), SDCs may be used for reimbursement and improvement projects but may not be used for maintenance or to correct existing deficiencies. SDC calculations exclude projects funded by grants or developers.

Permitting and Development Fees (PP&D):

Permitting and development fees have remained relatively consistent in recent years, despite rising service costs. Over the past five years, fee increases have ranged from 5–8%, with the current proposal maintaining a consistent 5% increase for most PP&D fees. Without these revenue adjustments, bureau reserves are projected to be depleted, potentially requiring significant reductions in service or staffing.