

PORTLAND UTILITY BOARD

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To: Michael Jordan, Chief Administrative Officer
Portland Charter Transition Team

Cc: Mayor Ted Wheeler, Commissioner Mingus Mapps,
Commissioner Carmen Rubio, Commissioner Dan Ryan,
Commissioner Rene Gonzalez, Auditor Simone Rede, Gabriel
Solmer, Dawn Uchiyama, Tim Grewe

Re: City Proposed Organizational Structure

Date: September 29, 2023

Dear Mr. Jordan and Transition Team,

Please accept the following comments from the Portland Utility Board (PUB) in response to your September 13, 2023 letter to advisory boards regarding the proposed organizational reporting structure. The Board is responding in the forum available to us currently, as part of your general public comment process. However, we see value in engaging more directly with the PUB and other advisory boards regarding the potential changes. The PUB would appreciate meeting directly with you regarding the proposals, particularly given the uncertainties related to the natural resources consolidation and potential impacts on areas we were convened to advise upon. It could be even more effective to also convene representatives from all relevant advisory boards and commissions to provide authentic and coordinated engagement, empowering those that have volunteered to advise on matters such as these.

The PUB was created in 2014 as a community oversight body whose purpose is to advise City Council and bureau leadership on budgetary and policy matters related to the two utility bureaus, the Bureau of Environmental Services and the Portland Water Bureau. The PUB believes every person is entitled to clean and affordable drinking water, healthy communities, and healthy watersheds.

Until further information is available, the PUB is providing feedback in the following areas:

General Feedback/Public Works Service Area:

The PUB appreciates the significant amount of work that has gone into

the proposed new structure. The PUB also recognizes the short timeline on which the City is operating as advances transition to a new form of government. The Board is generally supportive of the direction that the City is taking by grouping bureaus into service areas, overseen by Deputy City Administrators and reporting to a City Administrator. The proposal to group existing infrastructure bureaus including Bureau of Environmental Services, Portland Water Bureau, Transportation and Parks and Recreation makes sense, although we question whether Arts would be a better fit under the Economic and Community Development service area.

Equity Officer

The PUB has prioritized a focus on advancing equity and is supportive of the proposed approach of resourcing an Equity Officer and the placement of this position on the executive leadership team. This seems to move equity work in the right direction, elevating workforce equity and ensuring progress made in recent years continues to grow and expand. The Board is concerned regarding the potential risk having the high-level position separate from the rest of equity staff within the Office of Equity and Human Rights as well as equity staff within bureaus. It will be critical that the Equity Officer remain connected through equity managers and other staff to truly learn from the work done on the ground within the bureaus. The Board wants to ensure that the affinity groups and other staff that have put forward concerns and recommendations are appropriately engaged to address issues raised and build upon the work and progress made in recent years.

Natural Resources Bureau (Under Development)

Of particular interest to the PUB is the proposal to create a new Bureau of Natural Resources, which would remove a wide array of programs and functions from existing infrastructure bureaus and consolidate them into a new stand-alone bureau. This proposal could have profound implications for the City's ability to meet its climate and environmental goals, comply with local, state and federal environmental mandates, promote environmental justice and to remain a national leader in urban environmental initiatives. It could also have major impacts on many existing staff whose jobs may be relocated, redesigned or eliminated. Finally, this proposal will have significant impacts on bureau budgets which are already under significant stress.

While the PUB understands the challenging timeline that the City faces in advancing this transition, it is critical that the City undertake it in a holistic and inclusive manner with ample opportunity for community input. As the official community oversight body for BES and Water, it is essential that the City engage the PUB during all phases of this transition.

The current proposal for a new Natural Resources bureau is skeletal in nature and our understanding from that proposal is that it is undergoing "ongoing assessment." The Board would like to better understand the timeline and process for this assessment and when opportunities for our input will occur. For now, the PUB offers the following feedback regarding the proposed new Natural Resources Bureau:

The creation of a new, stand-alone Natural Resources Bureau offers both significant opportunities and risks. On the opportunity side, consolidating natural resources could result in more effective, efficient, integrated and aggressive efforts to achieve the City's natural resource goals. On the risk side, separating out natural resources functions from their current locations within existing infrastructure bureaus could result in natural resources efforts becoming marginalized due to lack of funding, staffing, operational resources, standing, or direct connection to the decisions and projects that will transform our urban landscape in the coming decades.

Since the adoption of the Watershed Management Plan nearly two decades ago, the City has a goal of integrating green infrastructure considerations into all city projects. Will a new Bureau of Natural Resources enhance or undermine this objective? This is no small matter: the growing impacts of climate change tell us we must markedly accelerate our efforts to advance climate resilient landscapes and environmental justice. We must move forward with a vision and a structure that allows us to build whole, complete, equitable, healthy, affordable communities for all of Portland's residents.

As currently proposed, the Bureau of Natural Resources is just a shell. Defining "Natural Resources" and the assumptions underpinning its creation are important details necessary for the public to respond to the proposal. It is difficult to provide feedback without more details but in the interim the PUB believes the following recommendations and questions must be robustly addressed before the City determines whether it will in fact move functions to a new Bureau of Natural Resources:

- 1. Clarity on what functions would transfer to a new Bureau of Natural Resources:** The current proposal does not lay out a clear vision of what would be included within a new Bureau of Natural Resources or who will be involved in making these decisions. Would it include green surface water strategies, urban forestry, natural areas, Superfund, Bull Run, Endangered Species Act compliance, etc? Would it be responsible for compliance with environmental laws for other bureaus? Would it include a program akin to what was once called "Science, Fish and Wildlife" within BES, which was responsible for developing long-term science and strategies for keeping Portland on the cutting edge integrating the built and natural environments? Will relevant advisory boards be engaged in these decisions?
- 2. Funding:** Currently natural resource programs within the City of Portland are funded primarily within the bureaus in which they are housed, with the vast majority of funding coming from BES and paid for by the utility rates. It is essential that the budget and funding mechanisms for a new Bureau of Natural Resources be robustly delineated prior to a final decision on its viability. Further, we believe that it is both appropriate and essential that a significant portion of

the budget that is directly related to the missions of BES and the PWB continue to be funded through rates. Creation of a new Natural Resources Bureau that is over-dependent on an already heavily overburdened general fund may not be a viable path forward. We would also note that Portland Clean Energy Fund (PCEF) should not be viewed as a panacea for this concern. PCEF is centered on funding community-based projects with very limited funding available for public works initiatives and no funding designated for bureau operations. Finally, in recent years it has been challenging for the City to utilize rates for programs outside BES and PWB. It is important that the City seek clear legal guidance whether there would be legal obstacles to continuing to use rates to fund existing rate-funded programs that are transferred to a new Bureau of Natural Resources. It may be prudent to specifically address this issue in the charter for a new Bureau of Natural Resources if in fact it is advanced.

3. **Operational Resources:** Currently natural resource projects are implemented by the bureaus in which those functions are housed. This can require significant engineering, permitting, implementation, maintenance and monitoring resources. Will a Bureau of Natural Resources be expected to build internal capacity to achieve these functions, or will it rely upon existing resources at other bureaus within the Department of Public Works? If the latter, how would the City avoid a situation where natural resource projects become marginalized relative to project priorities within those bureaus?
4. **Linkages back to existing infrastructure bureaus:** It is essential that a new Bureau of Natural Resources have meaningful direct connections back to existing infrastructure bureaus such that it can have direct impacts on decisions and projects advanced by those bureaus. If meaningful connections are not put in place from the start, natural resources will very quickly become marginalized in the decision-making process. Infrastructure bureaus have been notoriously resistant to green infrastructure strategies for a wide range of reasons (cost, complexity, business as usual, etc.). A Bureau of Natural Resources cannot be successful if it is relegated to the arena of simply making bureau to bureau recommendations. To be successful, it must be engaged in decision-making related to sewers, stormwater, transportation, parks, etc. at a foundational level to ensure that climate, environmental justice, biodiversity, and regulatory compliance issues are fully integrated at all stages of project development.
5. **Environmental Justice:** How would this approach advance environmental justice and equity? What mechanisms would be built in to ensure that the City's

environmental justice and equity goals are fully integrated into this new bureau? Given the urgency of addressing environmental justice issues and the immediate challenges posed by the need to integrate natural resources with other major community priorities such as housing, can the City effectively transition to a new Bureau of Natural Resources and simultaneously step up to the unprecedented challenges facing our community right now? While we need a long-term vision, the City should not underestimate the time and resources it will take to make a new bureau functional.

6. **Staffing:** What are the impacts on current staffing at BES, Water and other bureaus? How will the City ensure a supportive and equitable transition for existing staff given that dozens of people would be directly impacted by this restructuring?

Asset Management

In the proposed structure, Asset Management is centralized under City Operations. It is another area where a lot of coordination will be necessary to ensure citywide priorities and efforts intersect with individual bureau asset management priorities. The PUB was supportive of the BES reorganization in recent years that enhanced capacity for asset management prioritization and successful capital project implementation. It will be important to avoid redundancy in the new structure and the Board wants to ensure that the utility bureaus will not lose progress on recent accomplishments.

Advisory Boards and Support

The proposed structure shifts the support for advisory boards and councils to the Community Relations service area under the Assistant City Administrator. The PUB is supportive of dedicating resources at a high-level to support advisory boards. However, we encourage you to think about the role of advisory boards and how they could most effectively advise the City. Though the PUB can see the potential value of having a point of contact through a high-level executive, the Assistant City Administrator will be more removed from the day-to-day work of the various bureaus and the details of what boards like the PUB focus on. In the past, boards have had access to and advised the administrators that were directly responsible for the administration of the bureaus (Commissioners—in-Charge).

The Board is concerned that by centralizing the support and reporting structure, the separation from the bureaus may dilute the impact and effectiveness of our work. It may prove more effective and impactful to have advisory boards report more directly to the service area relevant to their work, for example for the PUB to advise the Deputy City Administrator responsible for the Public Works service area. The Board also wonders: Will the PUB remain focused on Portland Water Bureau and Bureau of Environmental Services as currently? Will there be a new board to advise the Bureau of Natural Resources? If a new board is established, how will the PUB and the new board interact and coordinate to avoid redundancy? Would

convening representatives from all advisory boards to report to the City Administrator improve the coordination and impact of the boards collectively? The PUB requests to be engaged in the dialogue and decision-making related to our work.

The PUB understands that you were given a challenging task under very tight timelines. At the same time, expediency can be a major barrier to authentic engagement with the public. It is critical that the City seek to maximize engagement opportunities and be transparent about what is being asked of the public. If the goal is more than simply informing the public, but rather to engage with community responsively, then at a minimum please ensure that feedback received is captured and communicated back to the public, clearly identifying any trends that emerge. Advisory boards provide a resource of engaged volunteers that represent the public and could be used more effectively. As stated above, the PUB is eager to meet with you to get more information and be a resource to provide meaningful feedback regarding the proposed restructure.

The PUB greatly appreciates your consideration of these comments and looks forward to working with you as this process advances.

Respectfully,

The Portland Utility Board