

**Charter Commission
Meeting with City Bureau Directors
May 11, 2021, 12:00 pm
Minutes**

Attendance

Commissioners Present		
Bryan Lewis	Salome Chimuku	Anthony Castaneda
Candace Avalos	Becca Uherbelau	
Raahi Reddy	Yasmin Ibarra	

Staff Present		
Name	Name	Name
Julia Meier	Jessica Kinard	Ariella Frishberg (JLA)
Carmen Merlo	Michelle Kirby	Jeff Baer
Robert Taylor	Brie Fraley	

Welcome

Julia welcomed the group, gave an overview of the format for today’s meeting, and reminded everyone that the meeting will be recorded.

Commissioners introduced themselves and stated why they were interested in attending today’s meeting.

Bureau Directors Statements

Carmen Merlo, Deputy to Chief Administrative Officer with Office of Management & Finance (OMF) – OMF used to be two bureaus (one that included budgeting, accounting, treasury, CAO, and one that included general services: facilities, fleet, communications, printing and distribution). Former Mayor Vera Katz merged the two bureaus into OMF to create efficiencies.

Charter doesn’t read like a foundational document. Maybe the Commission should start with scratch. One area of the charter of interest to me is the one on governance. There is an issue of governance and decision making in our form of government. There is a lack of clarity between governmental entities in Multnomah County including the County and Metro. No clear decision-making authority between jurisdictions. I’d encourage the Commission to make this clearer.

Example of homeless camp cleanup in Laurelhurst Park. There are many bureaus and City Commissioners involved: OMF, Parks, PBOT. If there is disagreement on direction, then we stall. A different form of government where you don’t have politics involved, you have a coordinated strategy, may yield a different outcome.

Jessica Kinard, Director of City Budget Office – City Budget Offices manages four budget processes throughout the year: the General Fund, provides forecasting, budget & financial monitoring, and support Citywide performance and the Portland Utility Board. Budget Office became independent in 2012 after several issues. The office used to be a part of OMF but a previous Chief Administrative Officer was heavily editing budget documents, particularly those related to OMF. Wanted to ensure that all

budget information was available to all City Commissioners and the public equally and to ensure financial independence. At the same time, the Chief Financial Officer role became more independent and reports directly to City Council.

We generally support a clean and accessible charter which it isn't. I would probably look to take certain things out of the charter. We feel like we can provide good financial management through policy which is preferable to making permanent changes in the charter. Administrative independence of certain financial functions is really important. Potentially codify values related to financial stewardship, transparency and independence.

What works with our current form of government: transparency (access to detailed, impartial budget information is made equally available to all offices and the public), collaboration (Council offices have typically moderated each other), and opportunity for collective focus on citywide issue or single geographic area).

Challenges with our current form of government: perverse incentives (Council offices are incentivized to advocate for their bureaus rather than citywide or organic issues), information overload (each Council office feels a need to be an expert in the budget process and budget details to effectively advocate for bureaus and interests), hinders long-term strategic initiatives (bureau assignment changes require significant new learning, can be disruptive and time consuming), and budget outreach challenges (hard to reach consensus on where and how to conduct budget outreach events).

What might help: retain administrative independence, access to and legitimacy of impartial budget reviews and recommendations, promote Council's ability to function as policy-makers and leaders, allow a strong executive or City Manager to be trusted to manage and make technical and detailed budget decisions, and centralize support for budget outreach and communications.

Michelle Kirby, Chief Financial Officer and Director of Bureau of Revenue & Financial Services – Most of the bureau's functions (treasury, debt management, accounting, risk management, taxation) have existed since the incorporation of the city but created as a bureau in 2014.

We reviewed the finance section and didn't find anything we thought compelling enough to change. We did submit three charter amendment proposals related to taxation: update the terminology, moving the 5% cap on the transient lodging tax to give more flexibility. Also recommend raising the claims settlement authority from \$5,000 to \$25,000. It is an administrative burden to not allow the risk management experts to negotiate a higher amount. We could also process claims faster.

We hope that the Charter Commission doesn't change the fair and moral claims section. There is a financial risk to making changes to this section. It's important that we maintain the integrity of the insurance fund.

What doesn't work in this form of government: when bureaus rotate to different Commissioners on a regular basis, long-term planning and strategic thinking is more difficult. As the CFO, that is something I am concerned about.

Jeff Baer, Chief Technology Officer and Director of the Bureau of Technology Services – In 2003, we were two organizations and then merged after an external review into BTS. As of 2018, we merged printing and distribution into BTS. We run cybersecurity, communications, fiber optic network. I support a lot of

what my colleagues have already said. I support the OMF recommendation to extend the contract term. How can we have a citywide use of common enterprise applications? Instead of asking what might be better for my bureau, ask what might be better for the whole organization.

Brie Fraley, Director for the Office of Government Relations - We refer to Council offices and bureaus as our clients. We are inward facing. Our mentality is to be of service. In this form of government, we serve individual offices vs. the city or the people. I believe that a more centralized, coordinated effort to have a City Manager or an executive would help coordinate the legislative agenda. Centralizing the policy analysis piece – OGR could take some of the Council policy staff. Get to a one voice approach to how we represent the city.

Robert Taylor, City Attorney – Thanked the Commissioner for its service. City Attorney’s Office has been around for 100 years and it is in the charter that the City Attorney be appointed by the full Council and I think that is beneficial in the current form of government. When I think about the work of the Charter Commission, I think about it in two categories: major structural issues like form of government and technical/housekeeping cleanup issues. Housekeeping changes can be broken into two categories: one is removing obstacles like five year contract limitation and one is providing additional clarity or authority where we need it.

Regarding form of government, I think it is important that the form of government we have reflect the expectations of the public. There is an expectation that there is some one ultimately responsible for running the city and there is frustration that is not happening. The disconnect between the public expectation of what they want out of their city and how the structure is set up should be addressed.

Question and Answer Time

Q: Curious about the role of tax and revenue, and public financing of elections.

Michelle: The elections office is not in Revue & Financial Services.

Jessica: The funding for public financing is in special appropriations. Technically managed by the grants office. The staff person is in a Commissioner’s office now reporting to Commissioner Rubio. The management has been in flux.

Michelle: Prosper Portland is called a component unit of the city. They receive tax increment financing from the development projects. If you want more detail, we can provide that.

Q: Folks have mentioned that long-term planning is difficult in our form of government. What would be an ideal amount of forward planning that you would want to do from the perspective of your bureau?

Brie: Bureaus can do strategic plans, but if a new City Commissioner comes in then the leadership change can undo that plan. Five years is standard for strategic planning process.

Michelle: Bureaus that have large capital projects and are paid by rate payers and have to sell bonds, they have financial plans that are a good 10 years out. From a financial standpoint, you should be looking at least 10 years out.

Q: Bureaus and their functions are created by action of the Council. Regardless of the form of government, is there anything you would change in the bureau creation or merger process?

Robert: Conceptually no because I think decisions about what bureaus are necessary are legislative decisions appropriately made by the legislative body of the city.

Carmen: There has to be a super high bar to create new bureaus because we are creating additional inefficiencies and bureaucracies. We just created the Office for Community Technology. Do they need to be their own bureau with their admin?

Jessica: We need to adapt but we should know our history about bureaus before we take action.

Meeting adjourned

Minutes respectfully submitted,
Julia Meier, Project Manager

MINUTES ARE DRAFT UNTIL APPROVED BY THE CHARTER COMMISSION

Meeting Chat

From Ariella Frishberg (she/her) to Everyone: If you find the closed captions distracting, you can turn them off by clicking on "subtitles" (might be under "more" or behind the three dots at the bottom of your screen, and turn off the subtitles.

From Carmen Merlo (she/her) to All panelists: Agh! I totally forgot to mention one area that's of interest to me but I'm sure would be wildly unpopular - residency requirements of employees

From Jessica Kinard (she/her/hers) to All panelists: I can share my notes

From Raahi Reddy to Everyone: Questions: Taxation/Revenue lives in Finance, but what about public finance of candidates? and what about Prosper Portland?

From Anthony Castaneda (he/him) to Everyone: Have to run! Thank you for your time and perspectives!
Hope we can do it again as we draft amendments

From Raahi Reddy to Everyone: Thank you so much for sharing today!

From Carmen Merlo (she/her) to All panelists: need to run to another meeting

From Yasmin (she/her) to Everyone: thank you!

From Candace Avalos to Everyone: and share the powerpoint too plz

From Comm. Lewis to Everyone: Thank you everyone for your time