Date: October 10, 2025

To: City Auditor Simone Rede

From: Michael Jordan, City Administrator

Subject: Response to Parks Fiscal Management

This letter provides a written response to the recommendations from the audit 'Parks Fiscal Management: Systemwide goals and sustainability strategies needed to ensure parks for future generations."

I appreciate the work of the Auditor's office over the past five years assessing PP&R's fiscal management, in particular its capital asset needs.

With Portland's new form of government, and recent City Council stated commitments to longer-term sustainable investment planning and implementation, I am optimistic about the future for Portland's critical infrastructure. Our past has been challenging, including chronic insufficient levels of investment for capital maintenance, and capital investment decisions led by successive Commissioners-in-Charge.

Looking forward, I see opportunities for a clear, unified, system-wide level of service implementation, and funding plans to support those levels of service for our City's assets. You note in your audit that Parks is one of many bureaus facing difficult funding gaps, and that the City's new form of government presents an opportunity to tackle long-standing asset funding gaps. I concur.

Under a unified City Administrator, work has begun and will continue, aligning citywide efforts for unified forecasting, funding strategies, and service levels. Bureaus are in a position to implement City leadership direction, whether that be in advancing specific capital projects, advancing funding measures, or implementing City policies that did not come with funding, like City Financial Policy 2.03. In facing those challenges, while simultaneously delivering critical services for Portlanders, Parks is not alone.

Collaborative and innovative processes made possible in part by our new form of government will lead to future improvements in areas you have outlined as historic challenges. And they have already begun. Deputy City Administrator Priya Dhanapal is currently underway with a Unified CIP initiative, identifying actions and strategies to plan for, fund, deliver, coordinate, and communicate about capital projects within the Public Works Service Area, which includes Portland Parks & Recreation. Additionally, work is underway to develop a Citywide Asset Management Strategy that will address supporting City Council with clear, transparent information about capital asset funding needs, funding gaps, and lifecycle costs for new capital assets.

I appreciate your recognition of the ongoing funding challenges to sustain our City's critical park infrastructure, and look forward to the work to come implementing your recommendations, in partnership with City Council, and operationally under the leadership of DCA Dhanapal and Interim Director of Portland Parks & Recreation Sonia Schmanski.

City of Portland

Portland Parks & Recreation
1120 SW 5th Avenue
Portland, OR, 97204

@PortlandGov
PortlandORGov
@portlandgov

portland.gov

The City of Portland is committed to providing meaningful access. To request translation, interpretation, modifications, accommodations, or other auxiliary aids or services, contact 311 (503-823-4000) for Relay Service & TTY: 711

Traducción e Interpretación
Biên Dịch và Thông Dịch
अनुवादन तथा व्याख्या
口笔译服务 | Устный и письменный перевод
Turjumaad iyo Fasiraad
Письмовий і усний переклад
Traducere și interpretariat
Chiaku me Awewen Kapas
Translation and Interpretation:
503-823-4000 or 3-1-1

Portland Parks & Recreation
Sonia Schmanski, Interim Director

(she) sonia.m.schmanski@portlandoregon.gov

Date: October 10, 2025

To: City Auditor Simone Rede

From: Sonia Schmanski, Interim Portland Parks & Recreation Director

Subject: Response to Parks Fiscal Management Audit

This letter provides a written response to the recommendations from the audit Parks Fiscal Management.

As Interim Director for Portland Parks & Recreation, I appreciate the work of the Auditor's office over the past five years assessing PPR's fiscal management, in particular its capital asset needs.

I appreciate your recommendations and share all of your stated goals to ensure a park system that continues to serve future generations.

Below is our detailed response to each audit recommendation.

Recommendation 1

We recommend that Parks develop a fiscal sustainability plan in partnership with the Chief Financial Officer, City Budget Office, City Administrator, and Council.

Response for Recommendation 1

Agree

Target date to complete implementation activities: June 30, 2028

Narrative for Recommendation 1

We look forward to working with City Council on development of a long-range financial plan, to be developed by the end of Fiscal Year 2027-28. Since a financial plan is scaled to meet specific levels of service, the long-range financial plan will include identified level of service goals.

Recommendation 2

We recommend that Parks communicate the scope and impact of cost-saving actions to the public.

Response for Recommendation 2

City of Portland

Portland Parks & Recreation
1120 SW 5th Avenue
Portland, OR, 97204

@PortlandGov
PortlandORGov
@portlandgov

portland.gov

Agree

Target date to complete implementation activities: December 31, 2025

Narrative for Recommendation 2

PP&R will create a new webpage describing cost-savings actions, to be published by December 31, 2025.

Cost-saving actions include both operational actions and level of service cost-savings actions, which would include adjusting service levels. This could potentially include decreased maintenance levels in our parks, fewer parks, fewer park assets, and fewer recreational programs and services systemwide.

Cost savings measures related to operational changes that don't impact service levels (e.g. changing to LED lighting) will continue to be communicated publicly as they occur, and added to the website.

Cost-saving measures like reducing levels of service will be included in development of long-range financial plan, June 30, 2028.

Recommendation 3

We recommend that Parks develop a level of service plan in partnership with Council.

Response for Recommendation 3

Agree

Target date to complete implementation activities: June 30, 2028

Narrative for Recommendation 3

We look forward to working with City Council on development of a long-range financial plan, and expanding on our current level of service plan, by the end of Fiscal Year 2027-28. Since a financial plan is scaled to meet specific levels of service, the long-range financial plan will include identified service level goals.

Recommendation 4

We recommend that Parks base asset investment proposals on systemwide goals established in the level of service plan.

Response for Recommendation 4

Agree

Target date to complete implementation activities: This action is based on Recommendation 3 being completed. We anticipate implementation concurrent with completion of the level of service plan, June 30,2028.

The City of Portland is committed to providing meaningful access. To request translation, interpretation, modifications, accommodations, or other auxiliary aids or services, contact 311 (503-823-4000) for Relay Service & TTY: 711

Traducción e Interpretación
Biên Dịch và Thông Dịch
अनुवादन तथा व्याख्या
口笔译服务 | Устный и письменный перевод
Turjumaad iyo Fasiraad
Письмовий і усний переклад
Traducere și interpretariat
Chiaku me Awewen Kapas
Translation and Interpretation:
503-823-4000 or 3-1-1

City of Portland

Portland Parks & Recreation
1120 SW 5th Avenue
Portland, OR, 97204

@PortlandGov
PortlandORGov
@portlandgov

portland.gov

Narrative for Recommendation 4

We agree with this recommendation and look forward to supporting City Council and the City Administrator in their asset investment decisions. In the interim period before Recommendation 3, Level of Service Plan is completed, PP&R will support decision-makers with proposals that reflect Level of Service guidance.

Recommendation 5

We recommend that Parks create funding plans for estimated major maintenance and lifecycle costs that transparently communicate funding needs when approving new capital projects, as required by City policy.

Response for Recommendation 5

Agree

Target date to complete implementation activities: December 31, 2025.

Narrative for Recommendation 5

By December 31, 2025, PP&R will implement transparent communication of funding needs related to proposed new capital projects. This communication will include a list of funding alternatives City Council could consider advancing.

We look forward to working City leadership under the new form of government to align to recommendations in City Financial Policy 2.03. The Bureau does not control funding plans or decisions but can support Council with information about how a capital project would align with, or deviate from, the long-range funding plan (Recommendation 1) and be transparent about funding needs. City Council is the entity with the authority to advance funding plans.

Recommendation 6

We recommend that the City Administrator or their designee should update City Financial Policy 2.03 to require an approach to funding asset maintenance and expansion that considers the condition of current assets and overall systemwide goals.

Response for Recommendation 6

Agree

Narrative for Recommendation 6

While not a recommendation for the Parks Bureau to lead on implementing, we support this recommendation. The City Administrator agrees with this recommendation and will designate the Chief Financial Officer to consider implementation as part of a broader revision of FIN-2.03 that is likely to occur alongside development of the new Citywide Asset Management Office.

The City of Portland is committed to providing meaningful access. To request translation, interpretation, modifications, accommodations, or other auxiliary aids or services, contact 311 (503-823-4000) for Relay Service & TTY: 711

Traducción e Interpretación
Biên Dịch và Thông Dịch
अनुवादन तथा व्याख्या
口笔译服务 | Устный и письменный перевод
Turjumaad iyo Fasiraad
Письмовий і усний переклад
Traducere și interpretariat
Chiaku me Awewen Kapas
Translation and Interpretation:
503-823-4000 or 3-1-1

Please contact Interim Parks & Recreation Director Sonia Schmanski at sonia.schmanski@portlandoregon.gov with any questions.

CC: Keith Wilson, Mayor
Michael Jordan, City Administrator
Priya Dhanapal, Deputy City Administrator, Public Works
KC Jones, Audit Services Director, Office of the City Auditor
Mason Atkin, Senior Performance Auditor, Office of the City Auditor

City of Portland

Portland Parks & Recreation
1120 SW 5th Avenue
Portland, OR, 97204

@PortlandGov
PortlandORGov
@portlandgov

portland.gov

The City of Portland is committed to providing meaningful access. To request translation, interpretation, modifications, accommodations, or other auxiliary aids or services, contact 311 (503-823-4000) for Relay Service & TTY: 711

Traducción e Interpretación
Biên Dịch và Thông Dịch
अनुवादन तथा व्याख्या
口笔译服务 | Устный и письменный перевод
Turjumaad iyo Fasiraad
Письмовий і усний переклад
Traducere și interpretariat
Chiaku me Awewen Kapas
Translation and Interpretation:
503-823-4000 or 3-1-1