

Analysis By: Yung Ouyang

PORTLAND BUREAU OF TRANSPORTATION

All Funds Budget Summary	Adopted FY 2013-14	Request Base FY 2014-15	Decision Pkgs FY 2014-15	Request Total FY 2014-15	Percent Change
Resources					
Budgeted Beginning Fund Balance	\$41,481,558	\$61,539,690	\$0	\$61,539,690	48.4%
Licenses & Permits	2,086,800	1,432,236	107,944	1,540,180	-26.2%
Charges for Services	54,267,438	60,908,504	141,056	61,049,560	12.5%
Intergovernmental Revenues	89,116,053	90,610,537	0	90,610,537	1.7%
Interagency Revenue	28,447,619	29,839,826	0	29,839,826	4.9%
Fund Transfers - Revenue	18,766,919	16,456,655	2,678,309	19,134,964	2.0%
Bond and Note Proceeds	9,362,520	48,637,665	0	48,637,665	419.5%
Miscellaneous Sources	3,292,543	3,884,396	0	3,884,396	18.0%
Total Resources	\$246,821,450	\$313,309,509	\$2,927,309	\$316,236,818	28.1%
Expenditures					
Personnel Services	\$73,262,690	\$73,474,078	\$799,000	\$74,273,078	1.4%
External Materials and Services	39,338,544	77,638,155	878,309	78,516,464	99.6%
Internal Materials and Services	27,919,899	28,132,820	0	28,132,820	0.8%
Capital Outlay	33,446,955	35,329,972	1,250,000	36,579,972	9.4%
Debt Service	14,448,436	18,258,970	0	18,258,970	26.4%
Fund Transfers - Expense	16,351,658	13,200,275	0	13,200,275	-19.3%
Contingency	42,053,268	65,592,778	0	65,592,778	56.0%
Unappropriated Fund Balance	0	1,682,461	0	1,682,461	I/A
Total Requirements	\$246,821,450	\$313,309,509	\$2,927,309	\$316,236,818	28.1%
Total Bureau FTE	726.65	731.83	7.17	739.00	1.7%

Percent Change is the change from FY 2013-14 Adopted Budget to FY 2014-15 Total Requested Budget.

Key Issues

Strategic Plan for New Revenues

PBOT's lack of adequate revenues to maintain the City's transportation infrastructure is well-documented (see the Auditor's two 2013 reports). In summary, with a replacement value of almost \$5 billion, streets are the largest category (17%) of capital assets owned by the City. Fifty-two percent (52%) of the City's paved streets are in poor or very poor condition, and over the last several years, Council made spending decisions that gave higher priority to other investments than to street maintenance, including Milwaukie Light Rail, streetcar operations, and the Sellwood Bridge replacement. The bureau estimates that repair of paved streets in poor and very poor condition and more cost-effective maintenance of other streets in better condition would require spending about \$92 million per year for a 10-year period, consisting of \$47.6 million per year for arterial and collector streets and \$44.0 million per year for local streets. The actual amount that PBOT has budgeted for street maintenance in FY 2014-15 is close to \$11.0 million. See the pie chart on page 4 for a visual presentation of how the bureau plans to spend its discretionary resources (General Transportation Revenue or GTR) next year.

Potential solutions have been explored by a Financial Task Force, and the bureau's Commissioner-in-Charge and the Mayor are now considering new sources of additional revenue. Any single new source of revenue would likely not be enough to provide the resources necessary to meet all of the bureau's needs. PBOT's long-term fiscal sustainability would be enhanced by identifying several different new revenue streams to fund infrastructure maintenance. Extensive stakeholder involvement, which PBOT is currently engaged in, should continue to occur as part of the process of exploration and implementation of all new revenue streams. A staggered funding plan could include short-term efforts to increase revenues and medium- and long-term efforts to find new sources of revenue. All revenue options require additional policy development by PBOT, as well as the involvement of the community. CBO recommends that the City, working with stakeholders, develop a multi-stage strategic plan that involves several different revenue streams to support long-term fiscal sustainability of the City's transportation infrastructure.

Transportation Strategy Development

In prior years, CBO has recommended that Council develop and adopt a transportation strategy that states the City's overall transportation policy goals and objectives. This recommendation was also endorsed by the City Auditor in its two PBOT-related audits issued in early 2013. A developed strategy should identify priorities such as infrastructure preservation and development of new transportation projects and balance them against available resources. The strategy should also ensure that general goals for broad topics like "safety" or "mobility" are specific enough for policy-makers and the public to weigh competing priorities. With the possibility of new revenues not too far out on the horizon, the need for an overall strategy is as pertinent as ever, and CBO recommends the City continue its efforts to develop a comprehensive strategy before the new revenues materialize so it can serve as a guide to future funding decisions.

Currently, PBOT is operating under its Business Plan, while in FY 2014-15, the bureau will be following its two-year Work Plan which is currently under development. The process of developing a multiple year plan was delayed due to changes in leadership, but the bureau believes that the two-year plan will be completed prior to new revenues being realized. The bureau is also currently updating the Transportation System Plan (TSP), a State-mandated document, which will serve to articulate the City's overall transportation policy goals and objectives. The update will be completed by the end of 2015 and will coincide with the release of the Citywide Systems Plan. PBOT will also be creating a constrained list of projects to help prioritize funding. For near term priorities, the bureau is in the process of hiring a consultant to create an Action Agenda which will define near term policy goals and objectives. Furthermore, PBOT has been holding conversations with the community that informs the development of overall transportation policy goals and objectives.

CBO and the City Auditor also recommended that PBOT improve its project-level risk assessment by including analysis of planned revenues and identification of alternative revenues for new projects. If GTR is the alternative revenue, the bureau should identify the programs that will be cut to finance the new project if the planned new revenues do not meet projections. The Bike Share program is an example of a new project that benefits from such an assessment. PBOT has maintained that the private company that will be operating the program is solely responsible for its ongoing operating costs. Regardless, the City

should be vigilant in ensuring that the bureau is not ultimately forced to use GTR to subsidize the program if the company is unable to find supporting sponsors or if revenues from sponsors do not actually materialize.

Core Services

Although the economic climate has improved compared to that experienced by the City during the last budget development process, CBO continues to encourage Council and PBOT to review the bureau's budget for non-core activities. Two areas of concern that have been raised in prior budget analyses are the Downtown Marketing Initiative (DMI) contract and support for Sunday Parkways, and the CBO supports PBOT's efforts to replace GTR funding for these two programs. In regards to Sunday Parkways, General Fund support for the program has been declining over the last several years. While Sunday Parkways are popular civic activities that encourage active use of the City's transportation system, the events themselves do not fall within a strict interpretation of the bureau's core mission to plan, build, manage, and maintain a transportation system. By increasing donation revenue to support the program, PBOT has been able to eliminate GTR funding for the program at the end of FY 2012-13, and no GTR has been budgeted for the program since then.

Although the amount of GTR dedicated to the DMI contract in FY 2013-14 is \$125,000 less than the the prior year, the obligation of about \$828,000 is still substantial, and PBOT has included funding for the contract in its forecast for several more years. As has been mentioned in CBO's prior reviews, the contract is focused on economic development and would be better managed and funded by the Portland Development Commission. In this Requested Budget, PBOT is requesting the General Fund support the commitment. PBOT also requests General Fund to replace bureau resources to pay for expenditures related to Dignity Village and Last Thursday, two items it views as being non-transportation related. CBO recommends Council consider revisiting the source funding for these items.

Street Sweeping

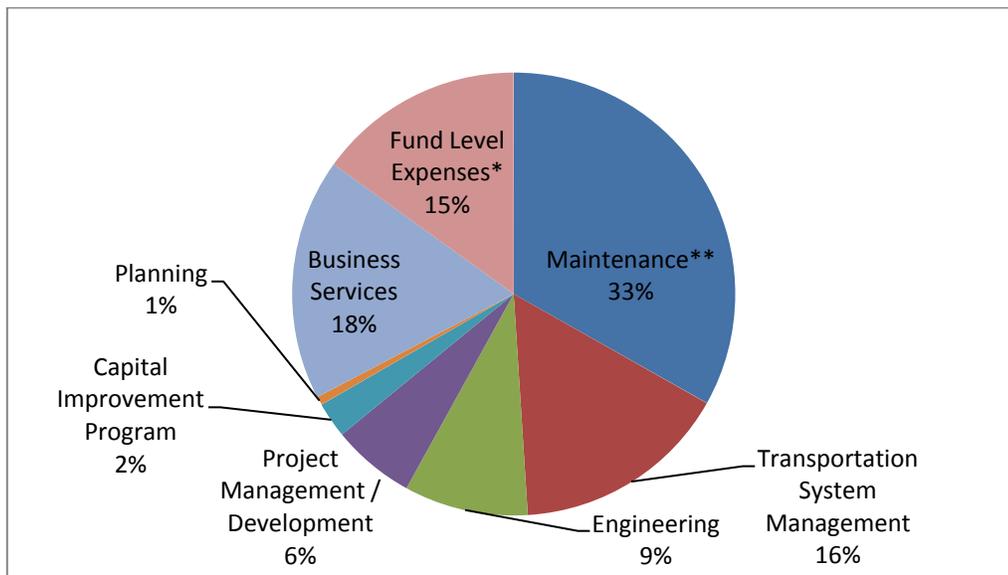
Street sweeping is an activity which the bureau has primarily funded but may not view as being core to its mission. Some annual support had been provided by the Bureau of Environmental Services (BES) for the program, based on the belief that sweeping provides benefits to storm-water management and water quality. However, BES currently disagrees and contends that the service is primarily a neighborhood livability issue that it should not help fund. In FY 2012-13, the total street cleaning budget was about \$4.6 million, and BES's contribution was \$1.1 million. During the FY 2013-14 budget development process, BES proposed to eliminate all of its support to the sweeping program. The final Adopted Budget eliminated all but \$350,000 of the BES sweeping interagency. Ongoing General Fund support backfilled the \$750,000 that BES eliminated.

As a result of the differing views on the benefits and funding of the program, a FY 2013-14 Budget Note directed PBOT and BES to cooperatively evaluate the program and implement changes that will increase water quality/storm-water benefit. The bureaus have recently reported their findings and recommendations, which include several ways for PBOT to deal with current impediments to effective street cleaning. Most of the solutions require additional funding for the program or assume funding at the

existing level. The joint report states that “studies show that street sweeping has little benefit for water quality.” The report further says that BES has concluded that it is more cost effective to remove debris from the collection system than by street sweeping. PBOT contends that BES has provided no data to support that claim. Because BES believes that sweeping has little benefit for water quality, its FY 2014-15 Requested budget proposes to eliminate the remaining contribution to the program of \$359,000.

A reduction of \$359,000 would have significant effects on the sweeping program and the overall street cleaning programs. PBOT indicates that it would result in the elimination of essential personnel and equipment, slower response to cleanups (including gravel pickup after snowstorms), less deicing of streets, and a reduction in the frequency of annual street sweepings. In some cases, parts of the city would no longer be swept. Finally, implementing some of the improvements noted in the budget note report would require increased funding for the program.

**FY 2014-15 Use of Ongoing General Transportation Revenues (GTR) Totaling \$97.0 Million
(January 21, 2014)**



*Includes the \$17.4 million in debt service discussed below as well as \$10.6 million in overhead recovery offset

** Includes \$11.0 million for street maintenance

Debt Service

Discretionary transportation revenues pay the debt service on gas tax revenue bonds, some limited tax revenue bonds, and a portion of the City’s pension obligation bonds. Debt service payments have been increasing since FY 2008-09 and are estimated to continue increasing to FY 2016-17, as the bureau takes on payments for bonds related to the Portland-Milwaukie Light Rail and the Sellwood Bridge Replacement projects. PBOT estimates that an average of \$9 million will be spent each year on debt service payments for these two projects over the life of the debts. FY 2014-15 debt for the projects total \$6.1 million, but the amounts will increase in future years.

The ongoing GTR-funded amount for all debt totals \$17.4 million in FY 2014-15, with the largest percentage (26%) allocated to the bureau's portion of the City's pension debt. Other large, specifically transportation-related, debt service items include:

- \$3.6 million for the match payment for Sellwood Bridge replacement,
- \$2.5 million for the match payment for the Portland-Milwaukie Light Rail Project,
- \$2.1 million for the match payment for the Transit Mall Revitalization Project,
- \$1.5 million for the line of credit for replacement pay stations, and
- \$1.7 million for multiple GTR capital projects.

Total FY 2014-15 debt service is 18% greater than FY 2013-14 mostly due to expected issuance of bonds in June 2013 to fund a portion of the City's contribution to the Sellwood Bridge project. Debt service in FY 2014-15 also comprises a substantial percentage (18%) of discretionary revenue. See the pie chart above for a breakdown of how the bureau intends to spend GTR in FY 2014-15. The City does not have a formal debt limit for debt paid by PBOT resources, but OMF-Debt Management has indicated that PBOT remains near its minimum debt coverage target of annual revenues equal to or greater than three times annual debt service.

In its audit released in January 2013, the City Auditor noted that "these long-term debt service payments will place an increasing demand on future transportation revenues, decreasing the funds available for core services." Debt obligations limit the bureau's funding flexibility for near and medium-term gas tax projects, and CBO continues to encourage PBOT and City Council to continue to be mindful of the trade-offs between bond financing versus the pay-as-you-go approach to project financing.

Reserves

PBOT is continuing to explore improvements in fiscal sustainability with regards to reserves. Beginning in FY 2013-14, the bureau has committed to transferring funds each year from its Operating Fund to its Reserve Fund. The policy sets the reserve amount at 10% of the bureau's Adopted Budget gas tax and on-street parking revenues. The transfer in FY 2013-14 is \$500,000, while the FY 2014-15 amount is \$700,000, a 40% increase. In addition, the Parking Facilities Fund has both a major maintenance reserve to cover unexpected maintenance costs and a general operating contingency to cover revenue shortfalls or unexpectedly high operating costs. The target for the general operating contingency is 10% of bureau expense appropriation.

In addition, PBOT has established a \$500,000 counter-cyclical reserve to help mitigate the impacts of economic recessions on permit revenues. This is a preliminary set-aside, and the bureau is working on establishing the amount needed for a fully-funded counter-cyclical reserve and the means to fund it. The last economic recession caused major declines in this revenue and presented fiscal challenges to the bureau in estimating the changes in revenues and funding the staff needed to provide adequate service levels for developers. Without a counter-cyclical reserve, PBOT has relied on a very conservative approach in estimating permit revenues and the amount of staff needed. As a result, the bureau collected about 230% of the budgeted amount during FY 2012-13. Continued conservative budgeting will most likely

result in an over-collection this year as well, although the percentage of over-collection will be much less. Although permit revenue is small as a percentage of total bureau budget (less than 1%) and does not contribute to the bureau's discretionary resources (the fees are priced for cost recovery), CBO recommends that the bureau continue to pursue fully funding a counter-cyclical reserve for revenues that are heavily affected by the economic climate.

Decision Package Analysis & Recommendations

Transportation Safety–Pedestrian Crossing Improvements (Citywide), TR_01, \$1,000,000

PBOT requests \$1.0 million of one-time General Fund resources to improve existing or build new pedestrian crossings on eight multi-lane, high priority arterial streets across the city. This request is ranked the highest out of the bureau's four requests for one-time General Fund resources. The request includes \$300,000 for personnel and \$700,000 for capital outlay. There are a total of 15 projects involving eight streets. The breakdown is as follows: four of the streets have only one project each, three streets have two projects each, and one has five projects. On the average, each project costs \$62,000, and the bureau will also devote \$70,000 to a traffic safety education campaign aimed at improving the awareness and responsibility of drivers, cyclists, and pedestrians across the city. Of the 15 projects, 11 are at locations that do not meet best practices for safety and need retrofits, while four are priority intersections that need new crossings. From a geographic point of view, three streets are located in southeast, three are in northeast, one runs through both the southeast and northeast, and one is in southwest.

PBOT has prioritized these locations using data on fatalities, accidents, and complaints from the public. The bureau has in the past recommended safety upgrades in these areas but lacked the financial resources to address the problems. Although the bureau has in the past been able to secure federal and state funds for safety improvements, discretionary resources have declined significantly. Due to these constraints, PBOT provides minimal funding for the replacement of pavement, signals, street lights, and structures. Ongoing GTR in the Capital Improvement Program (CIP) has been reduced from \$8.0 million in past years to \$2.5 million in FY 2014-15. The reduction in discretionary funding has reduced PBOT's ability to fund both road rehabilitation projects and safety ones. The remaining GTR in the CIP is used primarily to match grants, leveraging them to fund maintenance projects. The amount of GTR budgeted for CIP projects in FY 2014-15 is actually \$8.7 million, but much of the resources are actually carried over from the current year. Of the \$8.7 million, \$1.4 million is budgeted for projects that are explicitly designated as "Safety" projects, with the rest considered Asset Management, Health and Livability, or Economic Vitality. However, PBOT has indicated that most of the projects not classified as "Safety" contain safety components to them.

PBOT prioritizes its CIP projects by first receiving requests from neighborhoods, businesses, individuals, and partner agencies. Projects are then identified and developed through neighborhood plans and studies adopted by Council, such as the East Portland In Motion Implementation Strategy. The bureau also works with other agencies and organizations to develop projects with shared transportation goals. All these projects are compiled into the Transportation System Plan (TSP), which contains over 600 projects and is the primary document for guiding transportation CIP investments. Capital maintenance projects also arise

from PBOT's Asset Management programs, which derive spending priorities based on criteria including the risk of failure and safety needs. Capital projects move from the TSP to a requested CIP budget after evaluation on policy compliance and funding has been identified and approved. The FY 2014-15 Requested Budget CIP list was developed with input from project managers, engineers, and the director's team. It was also reviewed and considered by the Budget Advisory Committee. If PBOT does not receive the requested General Fund resources for FY 2014-15, it has indicated that the crossing projects will remain a high priority, and the bureau will continue to seek funding for these projects, including grant funding.

The proposed crossing improvements meet an important need in the city, and the Rapid Flashing Beacons that PBOT proposes to install at the crossings have been shown to be effective in inducing drivers to yield to pedestrians, preventing accidents and saving lives. Moreover, the request is also consistent with one of the Mayor's budget priorities for FY 2014-15. Safety for pedestrians is essential to meet the Complete Neighborhood goal of enabling residents to walk to various amenities within 20 minutes of their residences. However, CBO does not recommend funding them in FY 2014-15 due to the scarcity of discretionary resources. CBO recommends that PBOT consider reprioritizing which CIP projects should receive GTR funding in FY 2014-15 if the bureau cannot wait until FY 2015-16 to put in the crossing improvements.

CBO Recommendation: \$0

Infill Development Fee, TR_02, \$275,000

PBOT requests \$275,000 of one-time General Fund resources to pay for the development of an infill development fee. The request includes \$75,000 for staff time and \$200,000 for the hiring of a consultant. The current practice for infill development projects allows developers to receive a waiver for street infrastructure improvements that they deem to be impractical or not feasible to construct when there is a lack of connecting infrastructure. Theoretically, the waivers can be used in the future to help form a Local Improvement District (LID) for street improvements, but in reality, it is difficult to shift the burden to the homeowner. Moreover, in several high profile cases, the US Supreme Court has also identified several criteria for identifying when a requirement imposed on the developer to mitigate anticipated negative impacts of the development becomes a "taking" that requires compensation, and this has compounded PBOT's need for a better mechanism for funding infrastructure improvements on unimproved streets. Outer East Portland and Southwest have many examples where homes are constructed, but the streets are left incomplete. This leaves the City unable to meet both its policy of infill development and its policy of having complete streets.

The successful creation of an infill development fee would allow the bureau to collect revenue in a segregated fund exclusively for local street improvements, to be used when more infrastructure or opportunity is provided for a cost effective complete project. With the City averaging about 250 waivers per year and the fee conservatively determined to be about \$15,000 per property, PBOT estimates that about \$3.75 million could possibly be generated each year. PBOT notes that the development of the fee would require extensive legal and policy work, so a consultant with expertise in economics, financing, and

law would need to work with oversight from several advisory groups. Washington County is an example of a jurisdiction that has successfully implemented a similar development fee program.

CBO supports this effort by PBOT to attempt to generate additional revenue that would also lead to improved neighborhood livability. Improved streets also align with the Mayor’s FY 2014-15 budget priority concerning Complete Neighborhoods. However, CBO does not recommend General Fund resources for this effort because it does not meet a critical need during a year of budget stabilization that seeks to maintain current service levels.

CBO Recommendation: \$0

Travel Portland (Downtown Marketing Initiative), TR_03, \$828,309

PBOT is requesting \$828,309 of ongoing General Fund resources to pay for its Downtown Marketing Initiative obligation each year. In 2008, the City entered into an agreement with Travel Portland to promote convention business and tourism. Its contract with Travel Portland was amended in 2009 to include the Downtown Marketing Initiative (DMI), “as its main focus will be the promotion of leveraged marketing of the downtown area after construction of the Portland Mall Light Rail and other major City projects.” (Ordinance 182859, June 03, 2009). The City agreed to pay \$953,309 per year for a total of two years, with the original contract end-date roughly coinciding with the close of FY 2010-11. However, in June 2010, the City amended the contract once again, agreeing to fund DMI for an additional two years at the same amount each year, thus funding it up to FY 2012-13 (Ordinance 183894, June 16, 2010). Finally, the contract was amended once again in December 2012 to extend the City’s obligation for an additional four years with an expiration date of June 20, 2017 (Ordinance 185814, December 19, 2012). However, per contract language, the City reserves the right to terminate the contract or the portion of the contract relating to the DMI work for the sole convenience of the City upon ninety (90) days of written notice to the contractor. During the FY 2013-14 budget development process, the contract was reduced by \$125,000 to its current amount of \$828,309. Not included in this short history is the ordinance that severed the City’s obligation to Travel Portland for the promotion of convention business and tourism from its obligation for DMI, and a subsequent amendment pertaining to the split.

Fiscal Year	General Fund	GTR	Total
2009-10	303,309	650,000	953,309
2010-11	299,731	653,578	953,309
2011-12	305,620	647,689	953,309
2012-13	-	953,309	953,309
2013-14	-	828,309	828,309

The table above shows the sources of payment for the DMI obligation throughout its history. General Fund support for the contract has been reduced over the years, and the responsibility currently lies solely with PBOT, which is obligated to pay \$828,309 each year for three more years. The figures show that it is not unprecedented for the General Fund to pay for at least a portion of this obligation, and PBOT is now asking that the General Fund begin paying for the entire contract. The bureau argues that downtown marketing efforts are not a core service for it to fund. In addition, the bureau believes that the General

Fund ultimately benefits from those marketing efforts that produce revenue for the City by increasing business license fees, transient lodging taxes, and revenue for City-owned properties.

While CBO agrees with the bureau that the marketing of downtown is not a core transportation function and should not be funded by GTR, it believes that the Portland Development Commission (PDC) is the appropriate source of payment because of that bureau's mission related to economic development. The language in the scope of services for DMI says "This initiative is dedicated to implementing economic development strategies through consumer marketing programs that promote the long-term vitality of downtown Portland. ... Contracts will be negotiated for services such as marketing and PR that will assist the completion of DMI goals and objectives to promote downtown." CBO recommends that Council work with PDC to identify an appropriate funding source for the obligation.

CBO Recommendation: \$0

Shared Street Implementation Fund, TR_04, \$400,000

PBOT requests \$400,000 in one-time General Fund resources to implement a pilot project that subsidizes homeowners interested in improving their local streets using the City's new, less expensive street design standard that provides for a shared roadway under certain conditions. \$50,000 would be devoted to staffing the effort, while \$350,000 is intended for capital outlay. A group of property owners who agree to form a Local Improvement District (LID) can apply for a subsidy of up to \$50,000.

Although property owners can join together to form an LID as a means of sharing in the cost of building needed transportation infrastructure, the bureau notes that even with the less expensive standard, the costs are still too high for many property owners. Thus, LID projects often rely on public subsidies to make the project affordable for the benefiting property owners. However, there is no funding available to subsidize new LIDs, so the LID program for local streets will likely be limited to commercial or developer-requested LIDs. PBOT states that its goal for the project is to demonstrate the utility of the shared street concept and that it will be used as a test so that the bureau can refine the process.

CBO supports this effort by PBOT to innovate a concept that would lead to improved neighborhood livability. Improved streets also align with the Mayor's FY 2014-15 budget priority concerning Complete Neighborhoods, as pedestrians would then be better able to walk in their neighborhoods. However, CBO does not recommend the use of scarce General Fund resources for this effort because it does not meet a critical need during a year of budget stabilization that seeks to maintain current service levels.

CBO Recommendation: \$0

Portland Export and Freight Strategy, TR_05, \$100,000, 1.00 FTE

This request is for \$100,000 of ongoing General Fund resources to fund a planner position to support the bureau's efforts to provide the transportation infrastructure needed for efficient movement of freight. The implementation of such efforts is an aspect of the City's Freight Master Plan and the Greater Portland Export Initiative which seek to double the Portland region's exports in five years and add family-wage

jobs. PBOT currently has an existing position funded by GTR whose responsibilities overlap with the requested position's, but the bureau indicates that the new position is intended to work on additional initiatives. The bureau states that it has no additional discretionary resources to fund the new position, and if the position is not supported by funding from other sources, the additional work would not get done. CBO notes that the goals of the position largely pertain to economic development. While freight movement is important, the work of the position does not align with any of the Mayor's budgetary goals for FY 2014-15, nor does it meet a critical need in a year of budget stabilization. CBO does not recommend the funding of the position with General Fund resources in FY 2014-15.

CBO Recommendation: \$0

Dignity Village, TR_06, \$50,000

PBOT requests \$50,000 of ongoing General Fund resources to lease land from the Oregon Department of Transportation which the bureau needs for the storage and management of equipment and materials. The bureau cannot use its own property at the Sunderland Yard Recycling Facility that is being used to house Dignity Village at the direction of City Council. The bureau argues that housing and homelessness issues are not the responsibility of a transportation bureau and that its discretionary resources should be invested in street maintenance. While CBO notes the merit of that argument, it does not recommend funding the request in FY 2014-15. Council has decided that housing Dignity Village at Sunderland Yard is how that particular piece of City property should be used. While CBO agrees that this is a non-core activity for PBOT, it recommends the bureau work with its Commissioner-in-Charge to determine if there is an appropriate alternate source of funding for the subsidy (for example, an interagency agreement with the Housing Bureau).

CBO Recommendation: \$0

Last Thursday Events, TR_07, \$25,000

PBOT requests \$25,000 of one-time General Fund resources to provide staff time and vendor services to develop traffic control plans, coordinate with Police and Tri-Met, and implement and monitor traffic controls at Last Thursday events. The bureau normally charges fees to provide these services for events, but it does not receive any fee revenue for providing services for Last Thursday events. The bureau is instead funding Last Thursday costs with its own discretionary resources. CBO recommends against this request because several other City bureaus have also been absorbing Last Thursday costs, including the Police Bureau. While PBOT is the only non-General Fund supported bureau that is spending on the events, the General Fund supported bureaus do not receive additional resources to perform their duties. CBO recommends that Council consider revisiting the issue of how Last Thursday duties should be funded.

CBO Recommendation: \$0

Three Engineering Technician Positions, TR_08-10, \$249,000, 3.00 FTE

Due to increased workload resulting from the improving economy, PBOT is requesting to add three positions to review and process building plans and permit applications so that it can continue to meet its

public and internal obligations for review and permitting timelines. CBO recommends the addition of these positions that will be paid for with a combination of service charges, construction permits, and inspection fees. If the economic climate deteriorates and the expected additional workload and revenues do not actually materialize, the bureau will make appropriate cuts as necessary.

CBO Recommendation: \$249,000, 3.00 FTE

Realignment Packages Adding Limited Term Positions, TR_11, TR_15, TR_16, \$0, 2.67 FTE

CBO recommends these three realignment packages to add three limited term positions which the bureau will be funding by reducing its part-time salary line item:

- 1) A program coordinator to oversee the development of a consultant-led Strategic Parking Management Plan and phased implementation of the recommended strategies (\$103,704);
- 2) A Communications/Internet Mapping Specialist to improve the data analysis, visual display, and public interface for the update to the Transportation System Plan and assist in partnering with outside technology partners to identify opportunities to utilize new technology to improve business functions (\$83,724);
- 3) An extension of a limited-term Associate Planner position to match grant and GTR-funded project work and assist with the update to the Transportation System Plan (\$57,400).

CBO Recommendation: \$0, 2.67 FTE

Realignment Packages Converting Limited Term Positions to Permanent, TR_12-14, \$0

CBO recommends PBOT's three realignment packages to convert limited term positions to permanent:

- 1) A City Planner to review land use applications against City Code, provide customer service, prepare public works appeal presentations, and testify at public hearings needed due to increased workload resulting from the improved economy (\$89,304);
- 2) An Engineering Technician to review utility applications in order to meet turnaround review times expected by the Franchised Utilities and the public needed as a result of record levels of applications (\$83,104);
- 3) A Community Outreach & Information Assistant to continue to expand the PBOT communications team's capacity to educate, engage, and inform the public through social media and other communications strategies (\$91,080).

CBO Recommendation: \$0

Realignment Package: Transportation Planning – Convert Part-Time to Full-Time, TR_17, \$0, 0.50 FTE

CBO recommends this realignment request to convert a part-time Transportation Demand Specialist to full-time in order to support increased work focused on Regional Policy, Transportation Demand Management Policy, and the update to the Transportation System Plan. The bureau is reducing the part-time salary line item to fund the conversion.

CBO Recommendation: \$0, 0.50 FTE

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Bureau of Transportation											
<u>Key Priorities</u>											
TR_02 - Infill Development Fee	01	0.00	0	275,000	0	275,000	0.00	0	0	0	0
TR_03 - Travel Portland (Downtown Marketing Initiativ	02	0.00	828,309	0	0	828,309	0.00	0	0	0	0
TR_04 - Shared Street Implementation Fund	03	0.00	0	400,000	0	400,000	0.00	0	0	0	0
TR_05 - Portland Export and Freight Strategy	04	1.00	100,000	0	0	100,000	0.00	0	0	0	0
TR_06 - Dignity Village	05	0.00	50,000	0	0	50,000	0.00	0	0	0	0
TR_07 - Last Thursday Events	06	0.00	0	25,000	0	25,000	0.00	0	0	0	0
TR_08 - Public Works Permitting - Add Eng Tech II	07	1.00	0	0	83,000	83,000	1.00	0	0	83,000	83,000
TR_09 - Central Business District - Add Eng Tech II	08	1.00	0	0	83,000	83,000	1.00	0	0	83,000	83,000
TR_10 - Dev & Building Plan Review - Add Eng Tech II	09	1.00	0	0	83,000	83,000	1.00	0	0	83,000	83,000
<i>Total Key Priorities</i>		<i>4.00</i>	<i>978,309</i>	<i>700,000</i>	<i>249,000</i>	<i>1,927,309</i>	<i>3.00</i>	<i>0</i>	<i>0</i>	<i>249,000</i>	<i>249,000</i>
<u>Critical Needs</u>											
TR_01 - Trans Safety – Ped Crossing Imp (Citywide)	01	0.00	0	1,000,000	0	1,000,000	0.00	0	0	0	0
<i>Total Critical Needs</i>		<i>0.00</i>	<i>0</i>	<i>1,000,000</i>	<i>0</i>	<i>1,000,000</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<u>Realignments</u>											
TR_11 - Strategic Parking Mgmt Plan - Add Limited Ter	01	1.00	0	0	0	0	1.00	0	0	0	0
TR_12 - Dev & Bldg Plan Review - Convert to Perman	02	0.00	0	0	0	0	0.00	0	0	0	0
TR_13 - Utility Permitting - Convert to Permanent	03	0.00	0	0	0	0	0.00	0	0	0	0
TR_14 - Communications Program - Convert to Perma	04	0.00	0	0	0	0	0.00	0	0	0	0
TR_15 - Trans Plng - Smart Trans - Add Limited Term	05	1.00	0	0	0	0	1.00	0	0	0	0
TR_16 - Trans Plng - Extend Limited Term Position	06	0.67	0	0	0	0	0.67	0	0	0	0
TR_17 - Trans Plng - Convert Part Time to Full Time	07	0.50	0	0	0	0	0.50	0	0	0	0
<i>Total Realignments</i>		<i>3.17</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3.17</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Portland Bureau of Transportation		7.17	978,309	1,700,000	249,000	2,927,309	6.17	0	0	249,000	249,000