



# Bureau of Transportation

Analysis by Shannon Fairchild

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
<b>Expenses</b>	<b>\$607,450,813</b>	<b>\$201,243,046</b>	<b>\$406,207,767</b>	<b>67%</b>
<b>Operating Expenses</b>	<b>\$185,488,841</b>	<b>\$108,951,773</b>	<b>\$76,537,068</b>	<b>41%</b>
Personnel	\$81,522,119	\$63,371,539	\$18,150,580	22%
External Materials and Services	\$76,680,834	\$31,205,793	\$45,475,041	59%
Internal Materials and Services	\$27,035,888	\$13,710,700	\$13,325,188	49%
Capital Outlay	\$250,000	\$663,741	(\$413,741)	-165%
<b>Capital Expenses</b>	<b>\$234,876,782</b>	<b>\$70,358,711</b>	<b>\$164,518,071</b>	<b>70%</b>
Personnel	\$38,962,031	\$13,463,058	\$25,498,973	65%
External Materials and Services	\$32,499,388	\$7,275,068	\$25,224,320	78%
Internal Materials and Services	\$18,524,378	\$14,981,530	\$3,542,848	19%
Capital Outlay	\$144,890,985	\$34,639,055	\$110,251,930	76%
<b>Fund Level Expenses</b>	<b>\$187,085,190</b>	<b>\$21,932,562</b>	<b>\$165,152,628</b>	<b>88%</b>
Contingency	\$149,240,843	\$0	\$149,240,843	100%
Debt Service	\$23,243,329	\$11,764,460	\$11,478,869	49%
Fund Transfers - Expense	\$14,601,018	\$10,168,102	\$4,432,916	30%
<b>Revenue</b>	<b>\$607,450,813</b>	<b>\$142,284,725</b>	<b>\$465,166,088</b>	<b>77%</b>
<b>External Revenue</b>	<b>\$297,813,538</b>	<b>\$115,887,306</b>	<b>\$181,926,232</b>	<b>61%</b>
Bond & Note Proceeds	\$38,972,412	\$17,000,000	\$21,972,412	56%
Charges for Services	\$74,217,864	\$30,729,400	\$43,488,465	59%
Intergovernmental	\$139,902,063	\$49,823,864	\$90,078,199	64%
Licenses & Permits	\$18,890,980	\$6,857,053	\$12,033,927	64%
Miscellaneous	\$4,342,719	\$2,189,242	\$2,153,477	50%
Taxes	\$21,487,500	\$9,287,748	\$12,199,752	
<b>Internal Revenue</b>	<b>\$299,287,724</b>	<b>\$26,397,418</b>	<b>\$272,890,306</b>	<b>91%</b>
Beginning Fund Balance	\$241,307,011	\$0	\$241,307,011	100%
Fund Transfers - Revenue	\$20,192,979	\$8,698,807	\$11,494,172	57%
Interagency Revenue	\$35,984,785	\$17,698,611	\$18,286,174	51%
Miscellaneous Fund Allocation	\$1,802,949	\$0	\$1,802,949	100%
<b>General Fund Allocation</b>	<b>\$10,349,551</b>	<b>\$0</b>	<b>\$10,349,551</b>	<b>100%</b>
Fund Transfers - Revenue	\$10,349,551	\$0	\$10,349,551	100%

Figure 1. This table shows PBOT's budget inclusive of all funds including transfers from the General Fund.

## INTRODUCTION

The Portland Bureau of Transportation (PBOT) submitted two decision packages which make carryover and technical adjustments to the Bureau's FY 2020-21 budget. Included in these adjustments are reductions to revenue to align with revenue assumptions in PBOT's FY 2021-22 Requested Budget. These adjustments reflect the economic impacts of COVID-19 on the bureau's discretionary revenue streams which are expected to persist for several years.

## KEY DECISIONS FOR COUNCIL

### Non General Fund Requests

#### Carryover request for operating and capital projects into FY 2021-22

- PBOT is requesting \$2,369,724 in carryover adjustments for various operating projects that are under contract or in progress. These projects include \$175,000 for the Freight Master Plan, \$750,000 for the redesign for maintenance operations' at Kerby facilities, and \$250,000 for the Transportation Wallet digital delivery project, amongst various other items.
- **CBO recommends these carryover adjustments as discontinuing the work would have**

## financial and service repercussions for bureau.

### Technical adjustments

- This package makes various adjustments that are largely technical in nature. Examples includes:
  - reducing revenue from on-street parking meters by \$10,429,000 to better align with the bureau's FY 2021-22 Requested Budget
  - decreasing capital outlay expenditures by \$61,146,282 for several delayed capital projects and carrying over project funding to FY 2021-22. Projects include 42<sup>nd</sup> Avenue Bridge and East Portland in Motion.
- This package also decreases contingency by \$2.4 million to fund the projected salary costs of 92 high-priority positions. In the Fall BMP, PBOT cut funding for 155 vacant positions which resulted in \$8.4 million in budgeted savings of General Transportation Revenue (GTR). This adjustment restores funding for a portion of those positions.
- **CBO recommends these adjustments.**

## CURRENT YEAR BUDGET MONITORING

### Transportation Operating Fund

PBOT's FY 2020-21 Spring BMP submission makes several adjustments to the Transportation Operating Fund to match revenue projections in the bureau's FY 2021-22 Requested Budget. These adjustments reflect the economic impacts of COVID-19 on the bureau's discretionary revenue streams. In response to the impact of COVID-19 on the bureau's revenue sources, PBOT reduced expenditures in the current year by limiting spending on non-critical professional services, instituting hiring freezes, and placing limits on overtime. PBOT's FY 2021-22 Requested Budget also includes ongoing reductions of \$8.3 million in GTR expenditures, the elimination of 32 vacant positions funded with GTR resources, and draws on the bureau's reserve balances to offset service level impacts.

Notable year-end projections of PBOT's Transportation Operating Fund include:

- **Charges for Service** revenues which consist of on-street parking, permit, and reserved parking revenues, are projected to end the year within 10 percent of budget. Onstreet parking revenues are projected to be 55% (\$21 million) below pre-COVID projections for the FY 2020-21 fiscal year. The bureau's forecast expects that onstreet parking revenues will significantly improve starting in the summer of 2021, but will not return to pre-COVID levels until FY 2025-26.
- **License and Permit** revenues are projected to be 56 percent of budget. There are several permit revenue streams within this category with the largest impacts to revenues from transportation network companies (private for hire transportation) and short-term and long-term permit parking revenues.
- **Tax revenues** are projected to be 87% of the bureau's budget which were adjusted to align with the bureau's FY 2021-22 Requested Budget. Revenues from the Highway Fund are projected to be \$10.8 million, or 12 percent, below pre-COVID forecast levels this year. The

bureau anticipates that revenues will reach 97% of pre-COVID levels by this fall.

### Parking Facilities Fund

PBOT is projecting that the Parking Facilities Fund will end the year on budget. Revenue from parking garage fees is nearly 70 percent below pre-COVID levels. The bureau is beginning to see some signs of increased usage, but expects that revenue will be 60-65% below PBOT's pre-COVID forecast by year end. Commercial space rental revenue is also down 70 percent compared to pre-COVID forecast levels due to rental abatements.

## SPRING SUPPLEMENTAL BUDGET CHANGES

	2020-21 Spring Revised Base (A)	Spring Decision Package Total (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
<b>Expense</b>	<b>\$607,450,813</b>	<b>(\$38,719,490)</b>	<b>\$0</b>	<b>\$568,731,323</b>
Personnel	\$120,484,150	\$5,327,570	\$0	\$125,811,720
External Materials and Services	\$109,180,222	(\$15,307,950)	\$0	\$93,872,272
Internal Materials and Services	\$45,560,266	\$864,981	\$0	\$46,425,247
Capital Outlay	\$145,140,985	(\$61,146,282)	\$0	\$83,994,703
Debt Service	\$23,243,329	\$0	\$0	\$23,243,329
Fund Transfers - Expense	\$14,601,018	(\$500,000)	\$0	\$14,101,018
Contingency	\$149,240,843	\$32,042,191	\$0	\$181,283,034
<b>Revenue</b>	<b>\$607,450,813</b>	<b>(\$38,719,490)</b>	<b>\$0</b>	<b>\$568,731,323</b>
Beginning Fund Balance	\$241,307,011	(\$1)	\$0	\$241,307,010
Bond & Note Proceeds	\$38,972,412	(\$9,687,301)	\$0	\$29,285,111
Charges for Services	\$74,217,864	(\$14,590,384)	\$0	\$59,627,480
Fund Transfers - Revenue	\$30,542,530	(\$5,393,362)	\$0	\$25,149,168
Interagency Revenue	\$35,984,785	\$46,208	\$0	\$36,030,993
Intergovernmental	\$139,902,063	(\$6,944,650)	\$0	\$132,957,413
Licenses & Permits	\$18,890,980	\$0	\$0	\$18,890,980
Miscellaneous	\$4,342,719	(\$2,150,000)	\$0	\$2,192,719
Miscellaneous Fund Allocation	\$1,802,949	\$0	\$0	\$1,802,949
Taxes	\$21,487,500	\$0	\$0	\$21,487,500