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**Steve Novick** Commissioner **Leah Treat** Director

# PBOT BUDGET ADVISORY COMMITTEE

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OCTOBER 15, 2015 | 4:00PM – 6:00PM

## MEETING SUMMARY

### ADVISORY COMMITTEE MEMBERS ATTENDING:

Laura Becker, Oregon Walks  
Ruthann Bennett, PBOT Steward/COPPEA (*Alternate Elliott Levin of PTE Local 17 also in attendance*)  
Corky Collier, Columbia Corridor Association  
Debra Dunn (BAC Chair), Synergy Resources Group/Portland Freight Committee Representative  
Marianne Fitzgerald, Southwest Neighborhoods, Inc.  
Jeanne Harrison, Neighbors West/Northwest Coalition  
David Hampsten, East Portland Neighborhood Office (will be stepping down, replacement TBD)  
Ryan Hashagen, Pedalworks/Private for Hire Transportation Representative  
Heather Hoell, Venture Portland  
Lillian Karabaic, Active Right of Way  
Tom Karwaki, North Portland Neighborhood Services  
Gerik Kransky, Bicycle Transportation Alliance  
Susie Lahsene, Port of Portland  
Linda Nettekoven (BAC Vice-chair), SE Uplift Neighborhood Program  
David Sweet, Central Northeast Neighbors

### ADVISORY COMMITTEE MEMBERS NOT ATTENDING:

Marion Haynes, Portland Business Alliance  
Ken Lee, PBOT Non-rep, Non-management employee  
David McCune, PBOT Steward / AFSCME  
Jerry Palmer, American Society of Civil Engineers  
Andrew Sheie, NE Coalition of Neighborhoods  
Cameron Whitten, Citizen-at-large

**Staff Attending:** Leah Treat, Maurice Henderson, Alissa Mahar, Suzanne Kahn, Dave Benson, Christine Leon, Lola Gailey, John Brady, Zan Gibbs, Sierra Stringfield, Ken Kinoshita, Mark Lear, Shoshana Cohen, Timur Ender (Commissioner Novick's Office); Facilitator: Jeanne Lawson



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## KEY DISCUSSION POINTS

- Support for prioritizing local gas tax on safety and paving projects and the identification and prioritization of safety improvements in areas with the highest number of crashes and safety issues.
- The group discussed how they can be involved in communication and outreach on the proposed local gas tax -- some members were more interested in information sharing than advocating.
- City staff discussed the importance of following State law regarding limits on campaigning by public agencies.
- The group discussed the value of additional specificity on projects and that more information is needed on projects and selection criteria.
- Strong support for additional outreach to communities that may not respond to traditional approaches.
- The group discussed the value of a singular project list that is more easily updated and understood.
- The group discussed the challenges in discussing funding at the local level with a City Gas Tax due to ongoing conversations about state and regional funding requests.
- A number of BAC members expressed interest in further discussion of how a Heavy Vehicle (Truck) Registration Fee could be combined with a local gas tax.
- There was overall concern about how discretionary resources are limiting PBOT's ability to match grants.

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## OVERVIEW & EXPECTATIONS OF THE GROUP

Leah Treat, Director of the Portland Bureau of Transportation, began the meeting and announced the transition of the committee from the Bureau Advisory Committee to the Budget Advisory Committee (BAC). Debra Dunn, Committee Chair, then greeted the members and introduced the facilitator, Jeanne Lawson, JLA Public Involvement.

Jeanne reviewed the agenda and primary issues of concern that were to be addressed during the meeting. The agenda was as follows:

1. Budget Philosophy/Message
2. FY 16-17 High Level Budget Development Process
3. High Level Forecast
4. Legislative and Funding Information
5. Transportation System Plan (TSP) - *Art Pearce not in attendance to present, but short discussion occurred*
6. Local Gas Tax
7. Observations & Next Steps
8. Public Comment Period

Members were then reminded of the objectives of the meeting.

Members were asked to submit topics, issues etc. for future BAC meeting.

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## BUDGET PHILOSOPHY & MESSAGE

Leah noted that at this time the Bureau's revenue projections are stable, and there are no anticipated cuts or changes to positions and projects. She explained that the Bureau is making efforts to fix the structural deficit in 2016-17, and maintain the 100-miles of street maintenance funding. A sustainable revenue source is currently being discussed with Commissioner Novick.

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## FY 2016-17 HIGH LEVEL BUDGET DEVELOPMENT PROCESS

Alissa Mahar, Executive Director of Finance and Business Operations at PBOT, discussed the FY 2016-17 High Level Budget Development Process. Highlights were:

- The Bureau will be working to communicate often throughout the budget development process.
- All materials will be available on the PBOT website for the BAC and the public, and additional materials will be added as they become available.

- The budget will be locked down as close to December 31<sup>st</sup>, 2015 as possible and financial staff will be loading information into the budget system starting in January.

Alissa acknowledged that information flows at a very quick pace and final information from Interagency Provider bureaus doesn't arrive until very late in the process, which makes it difficult to balance and lock in the budget numbers.

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## HIGH LEVEL FORECAST

Ken Kinoshita, PBOT's Principal Financial Analyst, reviewed the Bureau's financial forecast. Refer to the PBOT Financial Forecast Update – October 2015 handout that is in the BAC binder for specific details.

Highlights were:

- The ODOT June 2015 Forecast shows slight improvement in gross revenue over the prior forecast, though not as much as anticipated.
- ODOT's net revenues for disbursement to counties and cities show a net decrease from the prior forecast.

Ken informed the committee that the City Budget Office (CBO) will release inflation factors in mid-November, and that, depending on the timing of that release, the preliminary forecast should be available in November as well. He discussed the estimates on the Portland Building remodel and expressed that there would be efforts to continue to refine other budget assumptions and incorporate any updates.

### Discussion & Questions

- What impact has Washington's increased Gas Tax had on Oregon's gas consumption and subsequent revenue, assuming that people from Washington buy gas here because it is cheaper?
  - o There has been a slight increase locally, but impact has been minimal, revenues are distributed statewide per formula, so Portland doesn't see a significant impact.
- What does "cost recovery" for the DMV system upgrades entail, and will that revenue be coming from somewhere else besides the Gas Tax?
  - o The City is working with other local governments to ensure that added DMV costs are covered by increased fees, not by reducing the gas tax allocation to local governments.

- City bureaus' rents are being altered and allocated to pay for the Portland Building remodel. PBOT's rent could be tripling and the cost will be added into the yearly budget. If other sources of revenue are not identified, the bureau may be forced to consider budgetary cuts to continue to fund its fixed costs.
- If the proposed local Gas Tax increase doesn't succeed, it was mentioned that there would have to be discussions about cutting projects, laying people off, and reducing the 100-miles of yearly road maintenance to make up the deficit.

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## LEGISLATIVE & FUNDING INFORMATION

Shoshana Cohen, PBOT Resource/Legislative Specialist, discussed the funding information as it pertained to five projects in particular. Refer to the Major Grant Fund Sources for Capital Projects handout and the Candidate Projects for Upcoming Grant Cycles handout in the BAC binder for specifics.

- ODOT – STIP Enhance: Part of ODOT's Statewide Transportation Improvement Project (STIP) that focuses specifically on enhancing the multimodal transportation system, rather than maintaining the current system.
- ODOT – HSIP/ARTS (part of Fix-IT): Programs to address safety needs on all public roads in Portland.
- Connect Oregon: Lottery bond backed initiative to invest in air, rail, marine, transit and active transportation infrastructure.
- Regional Flex Funds 2019-2021: The primary source of funding for biking, walking and transit projects in the region.
- TIGER: Transformative surface transportation investments.

Shoshana explained that four of the projects would be coming through the STIP Enhance program. The grants for STIP Enhance and Connect Oregon would be coming from the state. There is a limit on the number of grants that one jurisdiction can lead, so Portland is asking the Port to be the lead applicant on one. The Port and City are discussing how they can collaborate on STIP projects.

Mark Lear, PBOT Legislative and Resource Development Program Manager, explained the three possible submittals for the 2016 Short State Legislative Session:

- Sustainable Transportation Funding

- (Heavy) Vehicle Registration Fee (City Sticker) Authority
- DMV Upgrades Cost Recovery

Mark explained that the Vehicle Registration Fee Authority is still in the early stages, but they are looking into the issue.

### **Discussion & Questions**

- There was a discussion about how PBOT is attempting to leverage external grants with internal revenues. One example of this work is the recent efforts to better align grant requests with System Development Charge projects.
- There was an interest in the BAC continuing to be involved in conversations regarding a local vehicle registration fee.
- BAC is interested in being informed of future Tiger grant requests.

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### **TRANSPORTATION SYSTEM PLAN**

Art Pearce was not present at this meeting and therefore this portion of the discussion was limited. However, Marianne and many other committee members were concerned that the changing financial forecast would cause the project list to change or be rearranged, but were assured that this is not the case. Art and his team will follow up with BAC members to respond to the concerns expressed by the committee.

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### **LOCAL GAS TAX**

Mark Lear provided some background on the proposal for a temporary local gas tax:

- Since the release of the City Club report supporting a local gas tax, there is a growing consensus to move forward with a 10-cent temporary local gas tax that would last for four years.
- The proposal to fund priority safety and maintenance projects will be supported by a project list that identifies specific projects and services.

- Due to specific safety risks in East Portland and SW Portland, the safety funds are prioritized in these areas – some BAC members stressed the importance of explaining the criteria behind these allocations.
- Any changes to the project list will be reviewed by an external oversight committee and City Council.
- PBOT will provide annual reports on revenues, expenditures, and accomplishments.
- PBOT is currently scheduling meetings with District Coalition and other interested parties.
- City Council will likely be considering a proposal for the May 2016 election in January 2015.
- PBOT staff and BAC members may advocate for the proposed Gas Tax until the measure is referred, which should be in January or February. After the Ballot Title is submitted, Oregon election laws restrict public agencies from advocating for or against a measure.
- The following is some feedback provided by BAC members:
  - o Gas Tax may be difficult to market to those who already feel their taxes are too high.
  - o It would be useful to have materials/script for describing the proposal and getting additional feedback.
  - o Consider altering the name to better embody the purpose, rather than the means by which it is gathered – for example “Street Improvement Fund.”
  - o Support for effort to tell a story that is understandable and accessible to public.
  - o Ensure that communities that may not be exposed to traditional outreach are included.
  - o Recommendations for additional outreach:
    - Church groups
    - Consider radio ads on non-English-speaking and Country music channels
    - Most impacted and most vulnerable often crossover
    - Business groups
    - Equity groups
    - Neighborhood associations

- District coalitions
- Parent/teacher associations
- NextDoor – Online neighborhood social networking site
- Legislators
- Seniors

### **Discussion & Questions**

- Primary focus should be on safety and paving projects.
- Areas with the highest number of crashes and safety issues should have priority when allocating funds.
- A number of members indicated their respective organizations either would not be comfortable with them playing an advocacy role or would need to be consulted regarding possible advocacy. Would the committee be willing to be information ambassadors (rather than advocates)?
- Some members expressed concerns about whether the nature of the proposed city Gas Tax will hinder further efforts to gather funds through similar means and on a statewide level.
- What are the pros and cons to putting the Gas Tax on the primary election ballot rather than the general election?
- How will the Gas Tax impact private-for-hire and the fuel surcharge?
- Will the estimated Gas Tax revenue really cover 30.2 miles of paving?

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### **NEXT STEPS**

Debra encouraged members to email her with any more thoughts or questions. The next meeting may be rescheduled and PBOT will be keeping the committee up to date.