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Steve Novick Commissioner Leah Treat Director

# PBOT BUDGET ADVISORY COMMITTEE

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NOVEMBER 19, 2015 | 4:00PM – 6:00PM

## MEETING SUMMARY

### Advisory Committee Members Attending:

Ruthann Bennett, PBOT Steward/COPPEA (*Alternate Amy Bowles of PTE Local 17 also in attendance*)  
Corky Collier, Columbia Corridor Association  
Marianne Fitzgerald, Southwest Neighborhoods, Inc.  
Jeanne Harrison, Neighbors West/Northwest Coalition (*Alternate Felicia Williams of NWNW also in attendance*)  
Ryan Hashagen, Pedalworks/Private for Hire Transportation Representative  
Lillian Karabaic, Active Right of Way  
Tom Karwaki, North Portland Neighborhood Services  
Arlene Kimura, East Portland Neighborhood Office  
Susie Lahsene, Port of Portland  
Ken Lee, PBOT Non-rep, Non-management employee  
Linda Nettekoven (BAC Vice-chair), SE Uplift Neighborhood Program  
Andrew Sheie, NE Coalition of Neighborhoods  
David Sweet, Central Northeast Neighbors  
Cameron Whitten, Citizen-at-large

### Advisory Committee Members NOT Attending:

Laura Becker, Oregon Walks  
Debra Dunn (BAC Chair), Synergy Resources Group/Portland Freight Committee Representative  
Marion Haynes, Portland Business Alliance  
Heather Hoell, Venture Portland  
Gerik Kransky, Bicycle Transportation Alliance  
David McCune, PBOT Steward / AFSCME  
Jerry Palmer, American Society of Civil Engineers

**Staff Attending:** Leah Treat, Maurice Henderson, Art Pearce, Dave Benson, Christine Leon, John Brady, Zan Gibbs, Ken Kinoshita, Peter Koonce, Peter Wojicki, Sierra Stringfield, Angel James, Jo Foulkrod, Timur Ender (Commissioner Novick's Office); Facilitator: Jeanne Lawson



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**Guest Presenters:** Dante James, Peter Hurley, Kyle Chisek, Rich Eisenhauer

**Public:** David Hampsten

## KEY DISCUSSION POINTS

- Dante James from the Office of Equity and Human Rights presented the Citywide Budget Equity Assessment Tool, which has been given to all Bureaus. Dante suggested using the tool early on in the budget process and BAC members were very engaged in discussing the tool and how they could use it in the future. The committee discussed the value of projects and funding that work toward meeting the adopted Citywide Racial Equity Goals and Strategies, identifying areas of the city that are in the most need and lacking basic services and infrastructure, and in the future better engaging communities that are under-represented and under-served.
- The group discussed the difference between equality and equity, in order to better understand what it means to make project decisions with an equity lens rather than an equality lens.
- Many committee members agreed that the project list could be easier to track if projects were identified by neighborhood and coalition.
- The bureau was urged by the BAC to make the process by which projects are added to the list clearer.
- The BAC discussed the potential of an additional meeting between the December and January meetings to ensure adequate time for discussion.

## OVERVIEW & EXPECTATIONS OF THE GROUP

Linda Nettekoven, the BAC vice chair and SE Uplift Neighborhood Program representative, began the meeting by announcing that she would be standing in for Debra Dunn, BAC chair. Leah Treat, PBOT director, reviewed the October meeting discussion. She explained that the proposed gas tax hike of 10¢ should pass through City Council in January. The gas tax is expected to extend four years and the revenue will be split 56/44, 56% to paving and maintenance, and 44% safety.

Leah expressed to members that the proposal is gaining support in City Council, most responding positively, with some lukewarm acceptance.

Leah explained that the project list has been made available online for public input.

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

1. Committee Process
2. Financial Forecast
3. Budget Equity
4. Transportation System Plan Update
5. 2017 System Development Charge Process Update
6. Public Comment Period

## COMMITTEE PROCESS

Jeanne reminded members of their purpose as described in the BAC Charter and Protocols. She explained that the committee is charged with putting the interest of the city above one's personal or economic interest, or the interest of the organization one represents. The committee will present a letter with the committee's recommendations, and the recommendations will be included in the staff report.

### Discussion & Questions

- The impression from invested communities/organizations is that the project list is flexible and could change at any point. This is concerning to those communities and organizations, and it would be beneficial to make the stability of the project list part of the messaging, and imply more of a guarantee.
  - If PBOT receives a grant to fund one of the projects on the list, there is an oversight committee that will choose another project to take its place on the list. Otherwise the project list should remain consistent.

## FINANCIAL FORECAST

Ken Kinoshita, PBOT's Principal Financial Analyst, explained to the committee that they do not have a set of numbers yet, but that they should by December. Highlights were:

- The City Budget Office just held the budget kickoff, and the mayor issued his budget guidance in which he is requesting that all general fund bureaus and oversight bureaus oversee the general fund update.
- The inflation factors have been received from the city economist; however a 5% cut in the general fund allocation for 2016-17 is expected in January.
- The general fund transfer is expected to start at the beginning of next fiscal year. A general fund cut of 5% is approximately \$500K per year ongoing.

- \$6.5 million or 13 percent of the general fund overhead allocation is directed toward the bureau in Fiscal Year 16-17, last year it was \$5.5 million.
- A full financial report should be available at the December or January BAC meeting

### **Discussion & Questions**

- There is a 5% cut to the general fund that is directed to the bureau, why?
  - Discretionary general fund is mostly being redirected to deal with the affordable housing issue, as well as some smaller components such as the approaching expiration of a grant funding firefighting positions.
- How much is the bureau directing toward the Portland Building remodel?
  - It will ultimately be about \$1.7 million over what the bureau is currently paying for the building, approximately \$3 million. That number will be built into the budget forecast.
- What is the expected cut for construction?
  - Allocation for capital improvement projects (CIP) are paid for by gas tax, grants and other funding, not the bureau's general fund revenues.
- What is the forecast for gas tax income?
  - The gas tax is collected and regulated by the state; therefore any estimation would only be speculation.
- The parking meter increase will be built into the forecast.
- There is concern about the effect of parking meter fee increases on South Waterfront businesses. It may be beneficial to create a separate parking district from downtown.
- The CIP project list should be available in January, and more information will be available before the next meeting so that members can be prepared.

### **BUDGET EQUITY**

Dante James, Director of the Portland Office of Equity and Human Rights, introduced himself and the purpose of the Budget Equity Assessment Tool which he handed out to the BAC. Equity is realized when identity - such as race, ethnicity, age, disability, or sexual orientation - has no detrimental effect on the distribution of resources, opportunities, and outcomes for group members in society. Portland has struggled, and is still struggling, with overcoming the ramifications of institutional discrimination and

racism. The tool has been developed to help assess and address benefits and burdens, with an ultimate goal of ensuring there is equity in how the city allocates funds. Dante also presented a PowerPoint along with his discussion points. Highlights were:

- Portland is changing and we need to be aware of who lives in what parts of the city. Efforts need to be made to ensure services are provided equitably.
- Oregon racial history timeline outlined the state's discriminatory laws. Impacts of this history are still prevalent and it is important that the city make efforts to mitigate those impacts.
- The City of Portland has adopted the Citywide Racial Equity Goals and Strategies in order to prioritize funding that will address past inequalities and promote equity citywide.
- Last month, the city passed a set of racial equity goals for policy that should be recognized by the BAC when developing a budget.
- Implicit bias can have a negative impact on being able to make equitable decisions, and thus it is important to not only be aware of potential bias, but also work to eliminate bias.

BAC members are encouraged to remember that they are charged with making equitable decisions for the City as a whole, not just one neighborhood or organization that they may represent. Dante then reviewed the tool with the BAC, walking through the questions and process that the BAC should be utilizing. Refer to the Budget Equity Assessment Tool in the BAC binder.

### **Discussion & Questions**

- Would it be more beneficial to ask for negative impacts in the tool rather than positive?
  - The Budget Equity Assessment Tool does ask for a benefits and burdens analysis. However, it could influence more action from City Council to highlight burdens, while implying room for improvement.
- Equity was demonstrated to City Council as being an absolute necessity. City Council has allocated some funds toward equity efforts, outreach, interpretation, translation, etc., in response to this.

## **TRANSPORTATION SYSTEM PLAN UPDATE**

Peter Hurley, Senior Transportation Policy Planner at PBOT, transitioned into discussing the Transportation System Plan (TSP), specifically with regards to equity, in conjunction with a PowerPoint. State law requires the TSP to show how it is meeting the policies and goals laid out by the state. Projects, street classification, maps and the plan itself are drafted for a 20-year period, and are

coordinated with the land use plan. For the Portland TSP, we integrated seven outcomes representing community values that are consistently listed in our long range planning documents:

- Access
- Safety
- Health
- Economic Benefit
- Equity
- Climate
- Cost-effectiveness

Peter then encouraged the BAC to incorporate these TSP criteria, including an equity lens, when evaluating bureau investments in order to ensure the greatest benefit. He urged members to review the deficiency index (as described in the PowerPoint) identifying street connectivity, bike/ped access, bike/ped facilities, safety improvements and substandard streets as areas to focus on when determining deficiencies and needs in a community. In order to remedy the systemic inequity in Portland, it is necessary to fill gaps in infrastructure and services in the communities that need the most, rather than just filling the smaller gaps that are closer to the city center and less demanding on bureau resources. Using these criteria, the TSP prioritizes projects in areas with the highest need and the highest growth, in order to accommodate communities that lack basic services and infrastructure as well as the communities experiencing the most population growth.

Art Pearce, PBOT's Policy Planning and Projects Group Manager, explained that given the minimal PBOT capital funding there is continued effort on external grants and funding partnerships, especially with a focus on leveraging outside agencies. The bureau is pursuing projects in partnership with the Portland Development Commission, Portland Parks and Recreation, and Port of Portland, in particular to find match funding for System Development Charges (SDC) eligible projects where the bureau has funding for a portion of the project cost.

- PBOT just submitted two grant applications through the State Transportation Improvement Program (STIP) as well as four through Connect Oregon.
- Citywide Transportation Programs
  - Ten programs, \$310.3 million 20-year proposed funding in TSP
  - Small-scale transportation projects (less than \$500,000) will be on reference lists for each program to use as they evaluate program priorities
  - There is \$400,000 in the in Active Transportation Programs in the 15/16 CIP
  - Refer to the TSP PowerPoint for process details and full list of programs

- Staff are developing a submittal website where people can upload their ideas to be considered for future program investment.
  - The goal is transparency and predictability with identifying and delivering these smaller investments.

### **Discussion & Questions**

- It may be easier for neighborhoods to track the projects on the list if they were identified by coalition/neighborhood.
- It needs to be made clear to business/property owners that it is their responsibility to pay for sidewalks.

### **2017 SYSTEM DEVELOPMENT CHARGE PROCESS UPDATE**

Christine Leon, PBOT's Development Permitting and Transit Group Manager, briefly discussed the Transportation System Development Charge update. The project list spans ten years and expires in 2017. The new project list will address many issues as well as adjust the rates assigned to developers and identify projects eligible for revenue from the SDC. The equity manager helped develop a plan for outreach, recommending talking to advocacy organizations/coalitions to gather feedback on the projects and their preferred outcomes. The BAC will use this to guide project decisions.

- Trip generation has previously used the Institute of Transportation Engineers (ITE) Manual, but is now shifting to person-trip model. This will flatten out rates and clarify a capacity unit.
- In the previous list, PBOT used a geographic model to ensure funds were spent around the City to avoid favoring one area. PBOT plans to continue to consider geographic areas in project list development.
- PBOT plans on having a Technical Advisory Committee to ensure methodology, project list, and rates reflect PBOT needs.
- The RFP will be issued in January to solicit proposals from potential consultants to assist with the SDC update.

### **Discussion & Questions**

- The bureau should look at scaling SDCs by size, higher rates for larger buildings likely to have greater impacts, in order to encourage smaller buildings.

## PUBLIC COMMENT

- There are a lot of large projects on the SDC list and many aren't getting funded. It may be more effective to break them into smaller projects before the list is finalized.
- Parks and Recreation is allowed to use 100% of their SDC toward parks development, however PBOT is only allowed to use 40%. Is there a way to change that legislation?
- Decisions are made in the bureau through a top management process with recommendations to City Council. However, it may be more effective to discuss opportunities and ideas with junior level engineers. PBOT should look at using an internal decision making process and judge which system is better.
- The majority of funding is being directed towards downtown, however budget mapping does not indicate that this is a reflection of job participation.

## NEXT STEPS

Linda thanked the BAC and explained the plan for the upcoming BAC meeting in December.