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Dan Saltzman Commissioner **Leah Treat** Director

Bureau and Budget Advisory Committee

Thursday, November 16, 2017

4:00– 6:00pm

Congress Building, 5th Floor, Conference Room 513

Committee Members Present: Ruthanne Bennett, Kaliska Day, Sam Gollah, Ryan Hashegen, Maria Hernandez, Thomas Karwaki, Arlene Kimura, Molly Baer Kramer, Tony Lamb, Meesa Long, Heather McCarey, Patricia Montgomery, Elaine O'Keefe, Momoko Saunders, Kevin Vandemore

Committee Members Absent: AFSCME representative, Heather Bowman, Frannie Knight

PBOT Staff Present: Tosin Abiodun, John Brady, Shoshana Cohen, Zan Gibbs, Ken Kinoshita, Mark Lear, Christine Leon, Jeramy Paton, Irene Schwoeffermann, Mychal Tetteh, Chris Warner, Millicent Williams, Jody Yates

City Staff Present: Jessica Kinard (City Budget Office)

Welcome/Community Check-Ins and Announcements: Momoko Saunders

- Momoko opened the meeting, welcomed Committee members, and reviewed agenda items.
- John Brady stated that PBOT has started implementing its winter weather emergency communications plans. Recently, PBOT partnered with Portland-area transportation agencies to hold a news conference to discuss their preparations for winter weather and what the traveling public needs to do to be prepared. PBOT will soon implement a new communications tool to ensure that members of the public have access to information regarding road closures, snow plow routes, traffic cameras and lots more. John asked Committee members to validate messages asking community members to clear and clean storm drains in their neighborhood. The Portland Chapter of the Women's Transportation Seminar (WTS) has awarded PBOT's Parking Kitty app as the project of the year.
- Elaine O'Keefe emphasized the need for a renewed media campaign to encourage homeowners and businesses to clear snow and ice from sidewalks.
- Thomas Karwaki noted that residents and homeowners living in the Willamette neighborhood, to a considerable extent, agrees with PBOT's effort to re-stripe lanes on North Willamette Boulevard but not necessarily with PBOT's communication and public involvement strategy.
- Speaker Tina Kotek is partnering with the City of Portland and Safe Routes to School to get public input about a future pedestrian and traffic safety improvement project at Columbia Boulevard and Midway Avenue in North Portland. In the transportation package passed this year by the State Legislature, \$1.5 million was allocated to improve pedestrian safety near George Middle School.

Capital Improvement Program + PBOT's Investment Strategy: Mark Lear and Shoshana Cohen

- Mark Lear explained where capital projects come from and how they end up on PBOT's Capital Improvement Program (CIP) lists. PBOT's capital projects come from different plans, but the core plan is the Transportation Systems Plan (TSP). The TSP is a 20-year plan and includes a number of candidate area and modal plans such as the Bike Plan, East Portland Action Plan, Pedestrian Plan, Vision Zero Plan, Freight Plan e.t.c.
- PBOT uses several evaluation criteria including economic benefit, Vision Zero, equity, neighborhood access, climate, health, public support, and cost effectiveness to rank and prioritize projects and then put them into a band or list, for instance 5-year project list, 1-10-year project list, and 11-20-year project list.
- The TSP document contains a chapter on finance that identifies about 30 or more funding sources. PBOT uses the financial forecast document to create and prioritize capital projects.
- The TSP plan is primarily focused on projects PBOT funds from local sources such as system development charge and gas tax etc. The plan does not focus on projects funded by TriMet (transit system) and the Oregon Department of Transportation (highway system).
- PBOT uses additional criteria such as equity, readiness and ability to deliver, recommendations from City bureaus and modal committees, community support, geographic distribution, available match, recent plans, and emerging priorities to create pipeline projects for its five-year Capital Improvement Program (CIP). After pipeline projects are created, staff write grant applications, pursue partnerships and seek external funding to create a more detailed project proposal to make the projects more competitive.
- The Transportation System Plan feeds into the Comprehensive Plan and the Portland Progress Plan. In making funding decisions, PBOT focuses on the "triple win priorities" that includes asset management, Vision Zero, and growth management. The team has been discussing proposals and funding sources for the 2-year capital project list with the Freight Committee, Bicycle Advisory Committee, Pedestrian Advisory Committee and the Transportation Justice Alliance.
- With the new state funding, PBOT is estimating about 15 million per year in new discretionary funds. Using this estimate, PBOT created five funding buckets: \$5 million for Capital projects; \$3 million for low cost TSP programs; \$3 million for preventative maintenance and grading; \$2.5 million for non-pavement asset maintenance; and \$1.5 million on strategic operations and opportunities.
- PBOT has identified two projects for year one and three for year two.

Questions and Comments

- Are the draft HB 2017 funding buckets based on the equity or determined by high demand neighborhood needs?
 - The funding buckets are run differently. Depending on the asset, there are different funding decision processes but equity index and neighborhood distribution is considered when making funding decisions for all the funding buckets. Out of the 5 million for Capital projects, PBOT will invest a couple million in cash financing and leverage additional local sources such as system development charges, capital set-aside, and Build Portland funds to make transformational street improvements in areas with high safety and capacity needs.
- Is there any possibility of asking TriMet for additional funds to strengthen road beds for instance along Lombard, Willamette and Inter-state? This seem to be an equity issue.
 - PBOT received funding as part of the Fixing Our Streets projects to fix concrete pads for bus lanes on First and Main street.
 - When PBOT staff talk about equity, they explicitly talk about social equity and aim to serve underserved communities.
 - TriMet routinely provides PBOT will funds to improve concrete bus pads and pavement. PBOT is the roadway authority and therefore is responsible for maintaining the roadways.
- Why is that 20 million was allotted for the five pipeline projects when the forecast is 15 million dollars?
 - Out of the 5 million earmarked for capital projects, PBOT will invest 2 million in cash financing to get upfront money to make bigger investments.
- How does the ADA transition plan for Public Right of Way fit into the project list and PBOT's planning process?

- The Pedestrian plan considers Americans with Disabilities. PBOT is in the process of reaching a settlement related to ADA curb ramps. There would be requirement that PBOT delivers about 500 curb ramps annually. Some of those curb ramps will come out of TSP projects. All PBOT's projects trigger ADA ramp improvements and updates. PBOT is currently updating its full ADA Transition plan. Once completed, the plan will shape budget discussions and decisions next year.
- BBAC will no longer hold a separate meeting to discuss PBOT's project selection process. The Legislative team will return in Spring 2018 to further discuss PBOT's Investment strategy.

PBOT'S Disadvantaged, Minority, Women, and Emerging Small Business Update: Zan Gibbs

- Zan Gibbs provided a high-level update on PBOT's five year-racial equity plan. The plan, which includes 43 action items, was developed in 2016. At the end of the first year of the five-year racial equity plan, PBOT successfully completed and launched its equity matrix online tool. The tool is currently being used by five PBOT divisions for prioritizing projects and making decisions. With the help of other City bureaus, PBOT is planning to include additional layers/index such as demographic information, high crash corridors, gentrification and vulnerability index information, affordable housing and neighborhood data will soon be added to the online tool.
- PBOT is about to complete its racial equity toolkit. The recommendations for the completed tool kits have been handed over to division managers.
- PBOT identified four action items in its racial equity plan specific to Disadvantaged, Minority, Women and Emerging Small Business (DWESB) goals. This is still an underdeveloped area. There is not enough capacity needed for revamping PBOT's DWESB toolkit, launching a social equity contracting work group, tracking MWESB utilization, sharing data with the Director's team, and reporting to City Council. PBOT lacks a contract manager who can oversee social equity contracting or an FTE staff who can screen external contractors, for instance public engagement and facilitation firms, for equity competency.
- City Council recently reviewed City's Community Equity and Inclusion Plan (CEIP). PBOT is yet to receive an update on this issue.
- PBOT clearly needs capacity to achieve its social equity goals. BBAC needs to think critically about how PBOT's applies a social equity lens/framework to approaching all identified projects.
- Despite several challenges, PBOT staff are still identifying area of opportunities for achieving social equity goals. For instance, staff are working with the What Works City Initiative (the Harvard Kennedy School Government Performance Lab) to review PBOT's PTE and construction procurement processes and come up with recommendations for implementing result driven contracting strategies. Many of the DMWESB firms that PBOT utilizes have their plates full as they are involved in other capital projects. Nevertheless, PBOT staff remain intentional about how they engage and share information with these firms.

Questions and Comments

- Can BBAC include the need for additional capacity in the budget letter?
 - Yes.
- BBAC members agreed that PBOT needs to monitor minority contracting and equity concerns.
- Patricia Montgomery, Arlene Kimura, and Tony Lamb expressed interest in joining the Fixing Our Streets Oversight Committee's discussion about PBOT's minority contracting goals for the Fixing Our Streets Program.

Neighborhood Streets Program: Jody Yates

- Jody Yates built on previous discussion about PBOT's Neighborhood Streets Program. About one and a half years ago, PBOT's Development, Permitting and Transit Group was charged with the task of developing an allocation methodology for the Local Transportation Infrastructure Charge (LTIC). PBOT has been talking to the public regarding the issue.
- There are many under-improved and gravel streets in the Southwest, east side of I-205 and a big concentration north up by Cully neighborhood and Woodstock area. PBOT needs about 1.5 billion to improve gravel streets. PBOT is projecting to collect about two and a half million for LTIC Charge per year. To develop an effective framework, PBOT partnered with BES to address stormwater concerns. PBOT did a lot of outreach work and actively engaged residents living on unimproved streets.

- PBOT staff developed a three-step process for the allocation methodology that will focus on underserved and vulnerable populations, neighborhood access, and project readiness.
- Some sub-committees have asked how much PBOT has collected and by what neighborhood coalition. PBOT has collected just under two million dollars, the bulk of it being in the SWNI and South-East uplift neighborhood.

Questions and Comments

- Community members in North Portland and South West have concerns that the allocation process and the evaluation criteria won't allow for future transportation projects in their neighborhood.
- Molly Baer Kramer spoke on behalf of BBAC's NSP sub-committee regarding PBOT's NSP program/LTIC Charge.
- When the NSP presentation was brought before the Portland Commission on Disability, members expressed concern that ADA was not included in the equity evaluation. The hand-out on LTIC Allocation methodology now includes a note that "data limitations currently preclude the use of some equity measures for people with disabilities." Why is the American Community Survey not considered?
 - The American Community Survey does not collect adequate information on where people with disability live. However, PBOT's equity matrix looks at race, income and language and the three indexes offers information about people with disabilities. PBOT is explicitly leading with race and disability. The American Community Survey for data is not adequate.
- Community members in the Southeast/Southwest neighborhood have concerns about how PBOT is choosing projects for the Neighborhood streets program. They want to know if PBOT will allocate and spend money based on needs or where it is collected.
 - The NSP sub-committee will meet to gather more information about the Neighborhood Streets Program before the allocation methodology goes before the City Council. BBAC will vote on whether to support the program after they hear back from the NSP sub-committee.
 - BBAC complimented PBOT on its thoughtful public involvement effort for the Neighborhood Streets Program.

PBOT's Budget Process: Jeremy Patton

- Jeremy Patton provided updates on PBOT's financial forecast for 2017 and the City's General funds forecast.
- The City has experienced record revenue growth and business tax payments. Property taxes have gone about \$1 million dollar above what was recorded in 2016. City expense record, on the other hand, is not looking great. Labor contracts are costing the City quite a bit of money. The Joint Office of Homelessness Services has a 9 million hole in its budget. COLAS (interest cost) is a lot higher than what was expected in the past. PERS funding liability is also increasing. The Mayor is requesting a one percent cut to the General Discretionary funds for Bureaus and that totals to about 5 million dollars. This means that City bureaus need to submit five percent reduction options. PBOT received just under 8 million on going general funds and will have to come up with about \$400,000 reduction.
- Preliminary projections on revenues and expenses is that PBOT's 5-Year GTR Financial forecast will be balanced. Parking revenues continue to show rapid growth and expansion in certain areas.

Questions and Comments

- Is Council going expected to be on board with PBOT's strategy of taking a longer view with budget planning? Is this the first time PBOT will use this methodology with City Council?
 - Yes. City Council is used to taking the longer view for discretionary funds (5-year) as they make budget cut decisions. Every bureau is required by City Council to show a five-year budget projection.
- What is cash financing?
 - PBOT has cash sitting in its fund and some of the funds are spent on projects to keep the organization in balance.
- In terms of projected expenses, does PBOT budget for catastrophic snow storms?
 - PBOT builds in funds every year for snow storms – roughly about 750,000 dollars.
- How often does PBOT draws from its reserve funds?
 - PBOT does not draw from its reserve funds. The last time PBOT did so was in 1989.

Announcements: Tosin Abiodun

- December meeting preview: BBAC will likely focus on PBOT's 2017-18 budget, discuss and review the Mayor's budget guidance, and PBOT's Investment strategy.
- BBAC will meet twice in January (on the 4th and the 18th).
- PBOT is planning two focus groups within the black community titled "Walking While Black" to gather insights and information on the experience of Black Portlanders.
- Bus passes and parking vouchers are available for BBAC members.
- All meeting materials are available online at (insert link)
- The next meeting is scheduled for December 12 at the Congress Building, 5th floor, Room 513 from 4:00 – 6:00 pm. Address: 1001 SW 5th Ave, Portland, Oregon.