

Fiscal Impact of COVID-19



PBOT Revenue Sources 2019-20 Adopted Budget

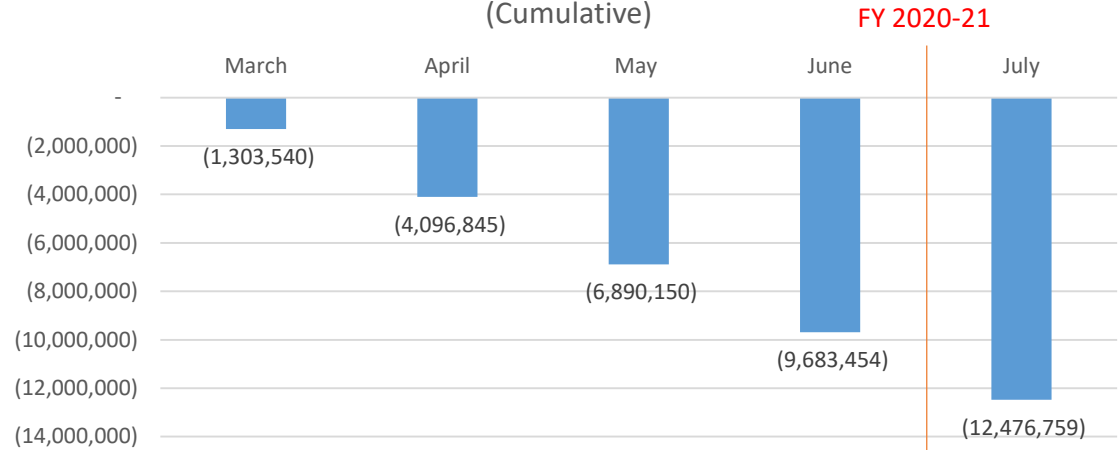
- General Transportation Revenues (discretionary) - \$228.4 million
 - State Highway Fund (gas taxes) - \$82.4 million
 - Parking Revenues - \$56.7 million
 - Beginning Fund Balance - \$89.3 million
- Program Specific Resources (non-discretionary) - \$342.6 million
 - System Development Charges - \$11.0 million
 - Fixing our Streets - \$21.4
 - Revenues from City Partners - \$34.3 million
 - Permitting - \$30.6 million
 - Bonds and Notes - \$22.0 million
 - Grants - \$44.6 million
 - Transfers from other City funds (e.g., LID and General Fund) - \$29.4 million
 - Parking Garage Fees - \$13.9 million
 - State and Local Sources (e.g., rents, assessments) \$11.7 million
 - Recreational Marijuana Funds - \$2.0 million
 - Beginning Fund Balance (restricted) - \$121.7 million

COVID Impacts on General Transportation Revenues

State Highway Fund

- Revenue has fallen roughly 40% based on limited data received from the state
- Projected revenue losses total \$2.8 million per month

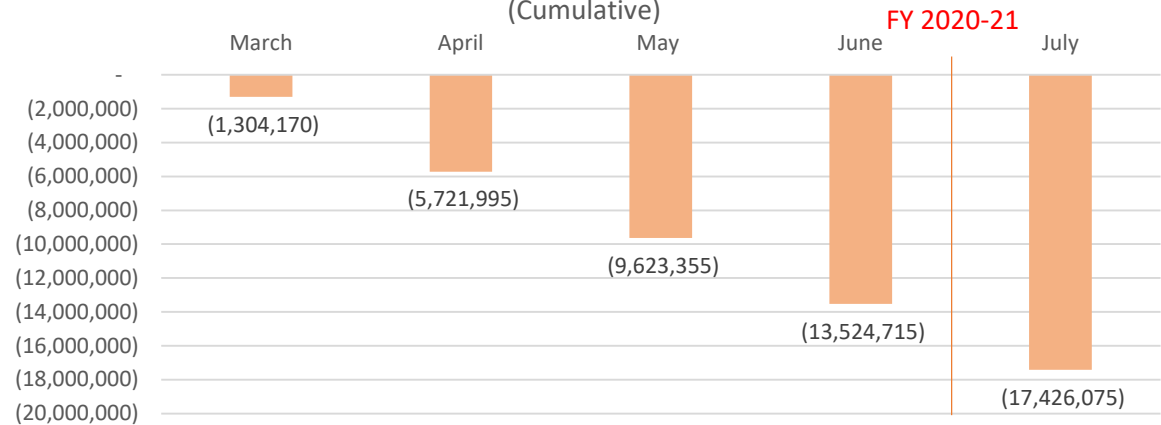
State Highway Fund Losses
(Cumulative)



Parking Losses

- Daily revenue has fallen roughly 85% to 90% compared to average
- Projected revenue losses total \$3.9 million per month

Projected Parking Losses
(Cumulative)

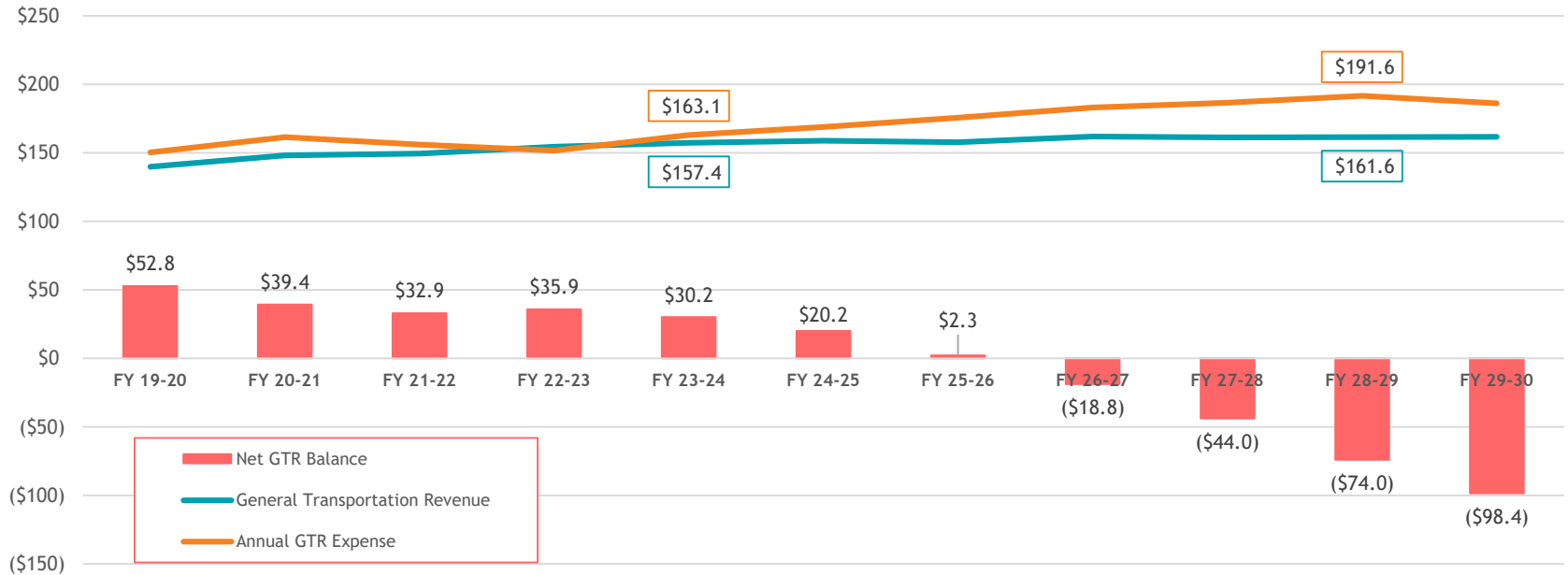


PBOT's Priorities

- Maintain our existing workforce
- Targeted reductions that allow for potential reinvestment in the future
- Deliver equitable and accessible services
 - (Safety, Mobility, & Asset management)
- Protect our vulnerable populations
- Achieve our climate action goals

Long-Term Forecast: Pre-COVID

Annual GTR Revenue, Expense & Net Surplus/Deficit



- 5-Year Net GTR Surplus: \$20.2M
- 10-Year Net GTR Deficit: (\$98.4M)
- Long-term deficit due to stagnant revenues and regular cost increases (i.e. inflation and COLA)

Near-Term: Balancing Strategy (FY 2019-20)

Revised Revenue Projection - \$23.2 million deficit

Actions taken to balance FY 2019-20:

- 5-Year Forecast Balancing Reserve - \$18.3 million (leaves balance of \$34.5 million)
- Landslide Reserve - \$0.6 million
- Hiring Freeze through June 30, 2020 - \$2.0 million
- 3 Furlough Days for Non-Reps in FY 2019-20 - \$0.3 million
- Project Savings - \$2 million
- **Total Savings - \$23.2 million**

Next Year Balancing Strategy (FY 2020-21)

Revised Revenue Projection - \$55.8 million deficit

- \$13.8 million from previous forecast and \$42 million from COVID impacts
- Assumes a 30% revenue loss over the fiscal year. Current experience during the stay home, stay safe order is a 60% loss in revenues.

Actions taken to balance FY 2020-21:

- 5-Year Forecast Balancing Reserve - \$34.5 million
- Transportation Reserve Fund - \$9.1 million (repaid within 5-year forecast)
- Hiring Freeze through June 30, 2021 - \$6.0 million
- Furloughs, COLA, & Merit for All Employees - \$3.5 million
- Programmatic Reductions (to be determined) - \$2.7 million
- **Total Savings - \$55.8 million**

Balancing Strategy for FY 2021-25

Revised Revenue Projection - \$30.5 million deficit over 4 years

- Assumes revenues return to normal in FY 2021-22 and beyond
- Requires yearly reduction of \$7.6 million

Actions taken to balance FY 2021-25:

- Programmatic Reductions (to be determined) - \$6.7 million per year
 - Ongoing programmatic reductions would be prioritized through an in-depth budget process as part of the FY 2021-22 Requested Budget
- COLA and Merit savings carried from FY 2020-21 - \$1.8 million per year
- **Total Savings - \$8.5 million per year or \$34 million over 4 years**
 - The \$3.5 million in additional savings generated over the 4-year period would be allocated to future year balancing efforts

Long-Term Fiscal Sustainability

Expected Shortfall in Years 6-10 of the forecast - \$60-\$70 million

- Existing funding streams cannot keep pace with inflation

New Revenue Opportunities:

- Gas tax increase or road-user charge
- Parking meter rate increase
- Expansion of ROW franchising
- Expanded advertising in the ROW

ADA Curb Ramp Program:

- Total program costs over the 12-year agreement - \$183.7 million
- Joint funding memo from CBO, OMF, and PBOT outlined a General Fund contribution of \$63.1 million over the 12-year period. PBOT's contribution totals \$120.6 million.
 - **Capital Set-Aside and Build Portland already allocated - \$19.5 million**
 - **Ongoing General Fund CAL target already allocated - \$12.9 million**
 - Future allocations of Capital Set-Aside and Build Portland- \$30.7 million