

Budget Update

Bureau Budget Advisory Committee – May 16, 2024

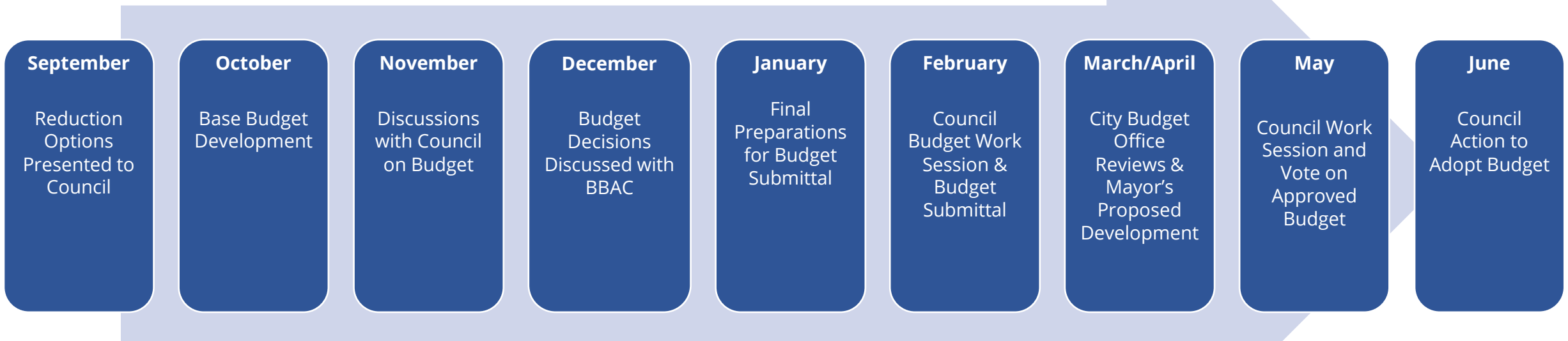


PBOT
PORTLAND BUREAU OF TRANSPORTATION

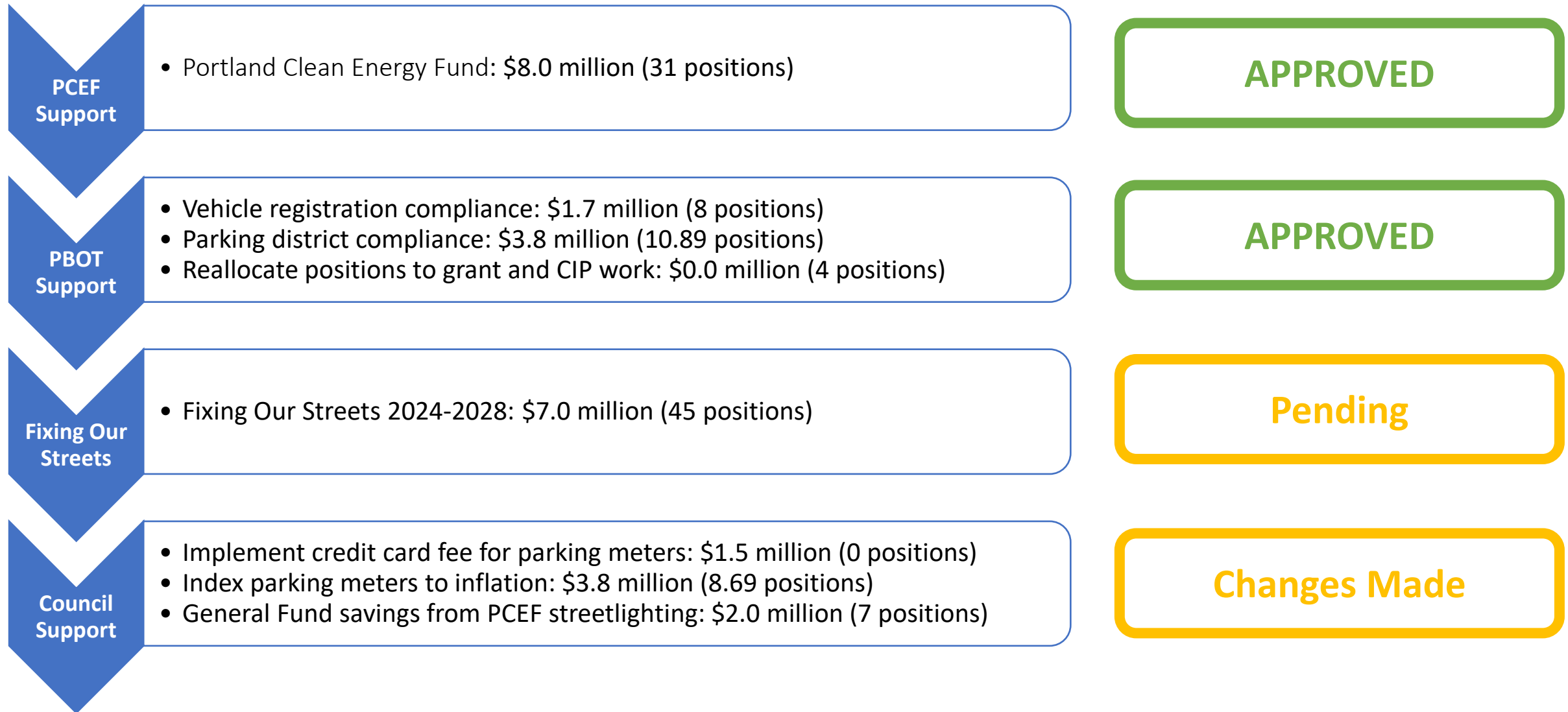
Budget Development Process

Requested Budget Preparations

Citywide Decision-Making



Mitigating reductions to PBOT through multiple funding sources



General Fund Savings from PCEF Streetlighting

Requested Investments: \$7.4M

- Graffiti Abatement: \$0.9M
- Green Space Management: \$1.1M
- Public Plazas: \$0.7M
- Safety Improvements: \$1.5M
- Neighborhood Sweeping: \$3.2M

Funding

- \$7.4M ongoing General Fund

Approved Investments: \$4.2M

- Graffiti Abatement: \$0.9M
- Green Space Management: \$1.1M
- Public Plazas: \$0.7M
- Safety Improvements: \$1.5M

Funding

- \$2.1M one-time General Fund
- \$1.6M ongoing reduction to pavement microsurfacing
- \$0.4M ongoing reduction to support services
- \$0.1M one-time reduction to support services

Description of Changes

- Graffiti abatement and green space management are funded through ongoing reductions in pavement microsurfacing and support services
- Public plazas and safety improvements are funded with one-time General Fund dollars and reductions in support services
- The \$1.5M in one-time funded safety improvements covers the \$0.4M reduction in Cannabis Tax resources for Vision Zero work, for a net increase in the program of \$1.1M
- Public plaza investments are covering existing programming tied to expiring American Rescue Plan Act funds

Other Approved Budget Decisions

ADA Curb Ramp Investments

- Existing shortfall in the program is \$4.2M in FY 24-25 and \$71M over the remaining six years of the settlement agreement
- Council invested \$800,000 of General Fund in FY 24-25 and \$6.8M per year starting in FY 25-26 to mitigate about half of the program's shortfall
- A budget note directs the Office of Budget & Finance, City Attorney's Office, and Office of Public Works to develop options to fund the remaining liability and present these options to the City Administrator by January 2025

Entertainment District

- Fees are currently waived for street-closure permits within the Entertainment District in Old Town during 26 weekends per year.
- This lost revenue was not covered for FY 23-24, but Council invested \$100,000 of one-time General Fund in FY 24-25 to cover this lost fee revenue

Other Approved Budget Decisions

Health Benefit Increases

- Health benefit increases were substantially larger than originally estimated in the fall of 2023, adding \$1.6 million of increased costs to PBOT
- Council allocated \$1.25 million in one-time General Fund resources to offset a portion of these costs in FY 24-25
- The remaining shortfall in FY 24-25, and the ongoing impact from the additional costs in FY 25-26 and beyond, will be included in the updated financial forecast for FY 25-26

Fleet Facility

- It is expected that the City's Fleet maintenance department will receive approval to move their facility from the Kerby campus to a location on Swan Island
- PBOT's allocation of the costs related to this move include \$500,000 in FY 24-25 and \$3.2 million per year starting in FY 25-26.
- The General Fund is covering all costs associated with the move in FY 24-25.
- The \$3.2 million ongoing impact will be included in the updated financial forecast for FY 25-26

Impact Reduction Program (Campsite Cleanup)

- PBOT pays \$1.4 million per year to the Impact Reduction Program for cleanups on PBOT owned property
- Council allocated \$800,000 in one-time General Fund resources to offset of portion of these costs in FY 24-25

Total Reductions Within Approved Budget

Group	Summary of Reductions	Ongoing Amount	1-Time Amount	FTE
Support Services	Space consolidation, Intergovernmental Affairs	\$0.2M	\$0.1M	1.00
ROW Management	Recognize Outdoor Dining Program fee revenue, management savings	\$0.5M	\$0.0M	0.00
Engineering	Pavement inspector, Microsurfacing	\$1.7M	\$0.0M	1.00
Maintenance Operations	Structures maintenance, fleet, sewer repair/cleaning	\$1.7M	\$0.0M	1.00
Parking & Regulatory	Meter maintenance, parking policy and programs	\$0.9M	\$0.0M	0.00
Policy, Planning & Projects	Planning, public space activation, new mobility	\$0.7M	\$0.0M	0.00
Traffic Systems	Signals/streetlights inspector	\$0.2M	\$0.0M	1.00
Streetcar	No reductions	\$0.0M	\$0.0M	0.00
Bureau-wide	Equipment replacement reserves, health benefit increases, other reductions to be determined	\$0.8M	\$1.1M	0.00
Total		\$6.7M	\$1.1M	4.00

Upcoming Budget Events – Opportunities to provide testimony

- June 11, 9:30-11:00am - Hearing for the Tax Supervising Conservation Committee (TSCC)
- June 12, 2:00pm - Council convenes to Adopt the Budget

PBOT Rates Hearing Update

Bureau Budget Advisory Committee – May 16, 2024



PBOT
PORTLAND BUREAU OF TRANSPORTATION

PBOT: Parking Meter Fee and Permit Increases

Parking Meter Rates

- Per Council Resolution 37564, PBOT has included the remaining \$0.20 increase to bring rates up to the level necessary to cover inflation since 2016. Going forward, PBOT will include smaller increases (around \$0.08 per year) to adjust for inflation.
- The proposed rate adjustments increase net meter revenue to the City an average of \$4.1M per year over the 5-year forecast.

FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Average
2,275,908	3,187,581	4,049,441	4,987,015	5,893,745	4,078,738

Parking Permit Fees

- Per Council Resolution 37564, PBOT has included a rate increase of 10% as part of the five-year plan to bring parking permit fees to full-cost recovery. FY 2024-25 represents year two of the five-year plan.



PBOT: Development Related Fees

Portland Permitting and Development Fees

- Development review fees were on a path to reach full cost recovery over the next 3 years.
- Ordinance includes 18% increases across most development fees to continue this 3-year path.

System Development Charges (SDCs)

- Per City Code, Transportation SDCs increase or decrease by the difference of the 5-year moving average of the 20-City Construction Cost Index published by the Engineering News Record (PCC 17.15.040)
- Per Council direction, rates were held flat in FY 2023-24
- Ordinance includes an 8% rate increase. Due to holding rates flat last year, the 8% increase is necessary to account for construction cost increases from fiscal years 2023-24 and 2024-25.

PBOT: Right-of-Way User Fees

Right-of-Way (ROW) Permit Fees

- Right-of-Way fees consist of Utility Fees (applied to utilities that use the public right-of-way) and Temporary Street Use Permits (paid by diverse users of metered and non-metered parking spots)
- Ordinance includes 17% rate increases across most right-of-way fees. This level of increase will achieve full cost recovery for Utility Fees, but Temporary Street Use Permits will remain well below full cost recovery in some cases.

Transportation Network Company (TNC) and Private for-Hire Fees

- Ordinance increases the per ride surcharge assessed to users of ride services such as Lyft and Uber from \$0.50 to \$0.65. This is the first increase in 9 years and is necessary to account for inflation.
- Adds an Accessibility Surcharge of \$0.11 per ride, wholly devoted to funding initiatives that increase access and service levels for individuals that rely on private-for-hire accessible transportation services. This surcharge brings us in line with other cities who provide these services.
- Increase all other private for-hire industry permit fees (vehicle, company, and driver) by 5%. A portion of these funds will also be allocated to accessible service initiatives.

Questions?



PBOT
PORTLAND BUREAU OF TRANSPORTATION