

PBOT Budget Update

JULY 2023: Joint PAC/BAC



THREE MAIN GOALS

Safety



Moving People
and Goods



Asset Management

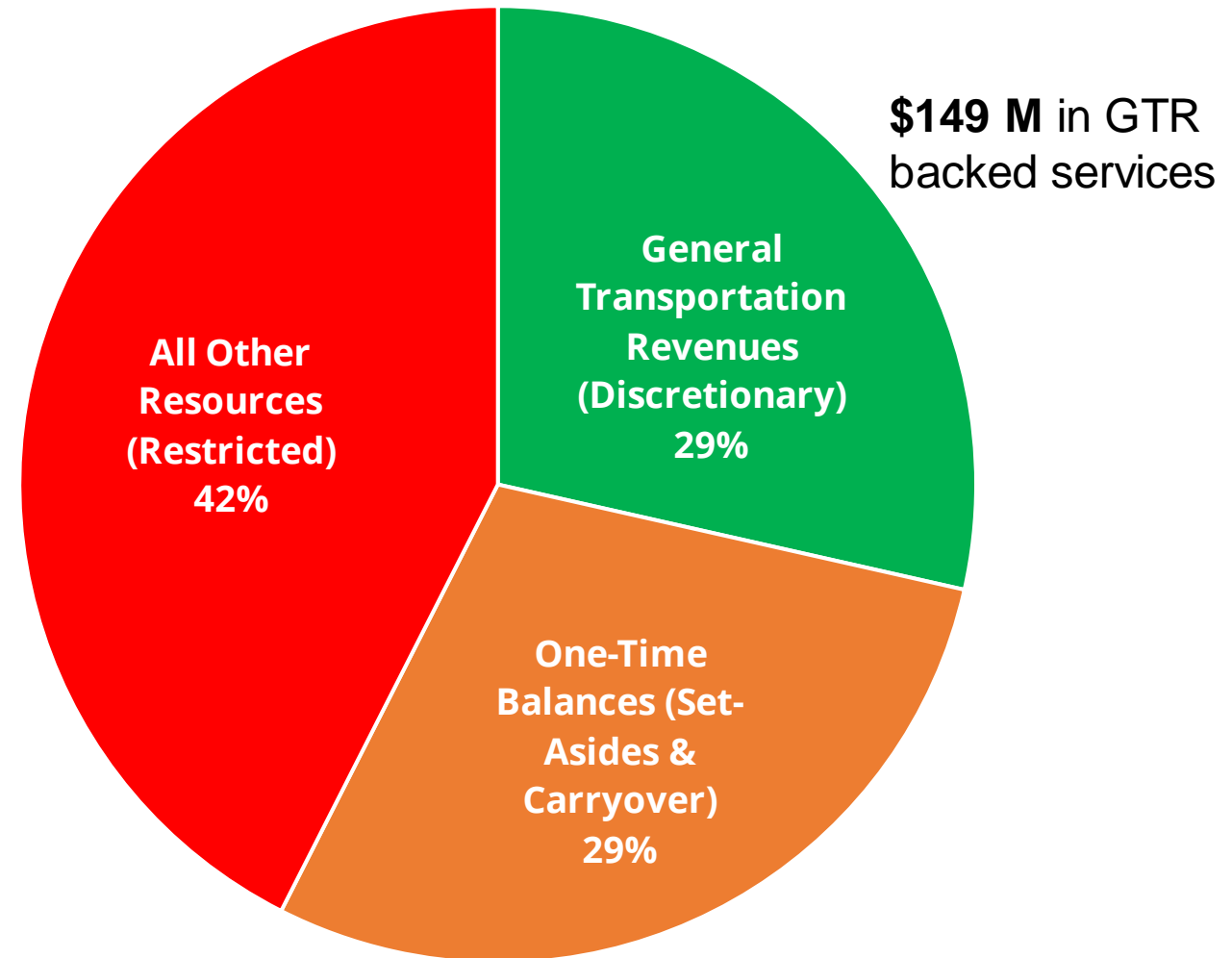


Across all work: ask are we advancing equity & reducing carbon emissions?



PBOT's Discretionary Resources

- **Discretionary resources** (General Transportation Revenues) go towards basic maintenance and operations of the transportation system - "keeping the lights on"
- All other funding sources (e.g. federal grants, permit revenues, SDCs) are dedicated to specific programs and services and cannot be used for other purposes
- **PBOT Total Budget = \$513M**



Discretionary revenue sources have significant structural challenges



State Highway Fund (60% of GTR)

State Highway Fund Limitations

- As we achieve mode shift, high mpg and EV goals, we lose fuels tax
- Subject to state decisions; lack of local control
- Rates are not keeping pace with inflation



Parking (40% GTR)

Parking Limitations

- As we achieve mode shift goals, we lose parking revenue
- Parking fees designed primarily for parking management goals, not revenue needs
- Rates not keeping pace with inflation

Challenges have become acute

- Parking revenues have not recovered to pre-pandemic levels
- Inflation, costs, and service expectations continue to escalate quickly
- Reductions in local population and vehicle registrations have led to unexpected reductions in State Highway Funds
- Transition to electric vehicles is accelerating - positive for reaching climate goals, but challenging for fuels tax forecast



Significant budget cuts over the last four years already impact all of PBOT's work

- Between FY 20-24 we have cut approximately **\$20.4 M (16%)** in services from our General Transportation Revenue-backed expenses
- We have drawn down **almost all of our \$63 M in reserves.**
- **Budget cuts across the board significantly impact assets, safety, equity and sustainability**



Significant cuts in FY 24-25 Budget

- Parking and State Highway Fund continue to come in below earlier projections, while expenses continue to rise.
- The FY 24-25 budget will require up to **\$32 million** in additional service reductions.
- Fixing Our Streets/HVUT renewal in 2024. If not renewed would add another 20 million in service reductions.
- Dramatic and visible service reductions are likely

Significant cuts in FY 24-25 Budget



How will potential cuts impact climate & equity commitments?

City Council has asked PBOT to prioritize and focus our work on core services to meet reduced revenue expectations.

Hard Choices: Examples of GTR Reduction Areas

- Regular maintenance of major assets such as pavement and structures
- Small safety improvement projects to prevent deaths and serious injuries
- Small projects to improve walking, biking, and access to transit
- Operation and repair of infrastructure including signals, streetlights, signs, and striping
- Project planning, engineering and local match to leverage federal money for major infrastructure investments
- Street cleaning and cleanup of derelict vehicles on streets and sidewalks
- Parking planning, operations and management
- Parking enforcement
- Community activities such as Sunday Parkways and traffic safety education in schools
- Planning for future transportation needs and state/federal/regional policy coordination
- Maintenance and operation of existing streetcar service

Next Steps

- Polling and stakeholder outreach to gauge transportation priorities, inform budget cuts and inform revenue options
- Develop potential budget cut scenarios
- Continue to explore potential to offset cuts with additional revenues
- Follow up on budget note with council – fall
- Fixing Our Streets III/HVUT III preparations for May 2024

