

*Portland has achieved many successes in managing its transportation system. We have built and now are stewards of a complex, mature system that moves people and goods efficiently through a dense urban area. Portland is a national leader in transportation planning and management. Reducing congestion through public investment in and promotion of alternative modes such as transit, walking, biking, and car pooling reduce demand and stress on the system, and build a stronger, more livable community.*

*The City's progress in these areas is the result of strong leadership from the Portland Office of Transportation (PDOT), with significant contributions from neighborhood organizations, the business community, advocacy groups, and public agency partners.*

*Ironically, however, the success of these initiatives, combined with increased fuel efficiency, work at cross purposes with another key objective: securing stable funding for maintaining the infrastructure. The more successful we are in getting people out of their cars, the less money we raise via fuel taxes to pay for upkeep of the system. While the City is obtaining the most it can from each transportation dollar, fiscal pressures continue to build. A sustainable, long-term fiscal solution is needed soon.*

## Message from Commissioner Jim Francesconi



Portland is a great city, and a key reason for it is its internationally renowned Transportation system. Our light rail and streetcar systems; our waterways, rail lines, and highways; and our bicycle network and pedestrian-friendly town centers each contributes to personal and economic mobility and draw upon the many ways Portlanders get around. These resources also demonstrate the rich diversity of people that we are and illustrate why Portland is such a desirable place to live.

While we have a great transportation system, significant challenges lie ahead. Portland continues to grow, and the transportation system gets more intensively used. More intensive use means more intensive care and higher costs. Portland has done great work—and in many cases, is leading the nation—in adopting innovative best practices in the planning, design, maintenance, operation, and repair of our valuable transportation assets. Drawing upon our active community's volunteer spirit, we have enlisted the help of citizens in the freight and downtown business communities, neighborhoods, bike and pedestrian groups, and others to ensure our services are in line with what Portlanders want.

Unfortunately, in spite of careful system and fiscal management, cost increases have outpaced the availability of resources due to flat discretionary revenues. In fact, we're a victim of our own success: the more we can get people out of their cars and into carpools and alternative modes, the less money we raise via fuel taxes to pay for upkeep of the system. We will do everything we can to contain costs, as we have been, before we ask the community to provide more revenues. We hope, however, that what you see in this document shows that the dollars spent on Portland's transportation infrastructure are a wise investment in Portland's future.

## Message from Transportation Director Brant Williams

Portland's transportation system creates opportunities for high quality urban living. Our street system promotes Portland as a freight hub, providing economic opportunity by supporting jobs and industry. Our light rail systems provide fast, convenient commutes to those jobs while reducing congestion and air pollution. Our bikeways provide safe access to and from home, work, and play for young and old alike. Transportation's charge, as stewards of this great system, is to make sure we create the right opportunities, in the right way, at the right time, at minimum cost.

That's a tall order, but Transportation staff have shown again and again that they are up to that challenge. Nor are we afraid of trying new things to improve our stewardship of your transportation assets. This is why, in the past year, Commissioner Francesconi and I asked Transportation employees, as well as a large group of community stakeholders, to take a hard look at how we operate and the direction we've been going. The result was a new Strategic Plan, which maps out our future vision, goals, and strategies. I am very excited to have the Strategic Plan completed and intend to implement it energetically in coming years.

This annual report is itself an outcome of the Strategic Plan. During the planning process, you, our stakeholders, asked to hear more about what we do, how we do it, and what it costs. In this and future editions, you will see how we measure up against our stated goals with actual projects, policies, and performance indicators. You will also see that we are managing your transportation assets and fiscal resources as tightly as we can, getting the maximum benefit for each dollar invested in the system. You will also see, however, our current investment in maintenance and repair is not sufficient to keep assets in the condition Portland has come to expect, even as it continues to expand to accommodate the city's growth. Therefore, as you read this document, please consider what level of investment you think is appropriate. After all, it is your system—you own it. I am proud to lead the team of some 750 men and women charged with managing it so that it works best for you.



# Mission, Vision & Goals

Transportation's Strategic Plan, completed in June, 2004, outlined a new mission statement, vision, set of goals, and strategies for completing them. This plan will guide Transportation's activities and policies in coming years to continue to make Portland a place where all of its residents can pursue opportunities for a high quality of life.

## MISSION

*The Portland Office of Transportation is the steward of the City's transportation system, and a community partner in shaping a livable city. We plan, build, manage, maintain and advocate for an effective and safe transportation system that provides access and mobility.*

## STRATEGIC OBJECTIVE

A transportation system that plays a critical role in the livability and economy of the region, and is supported by:

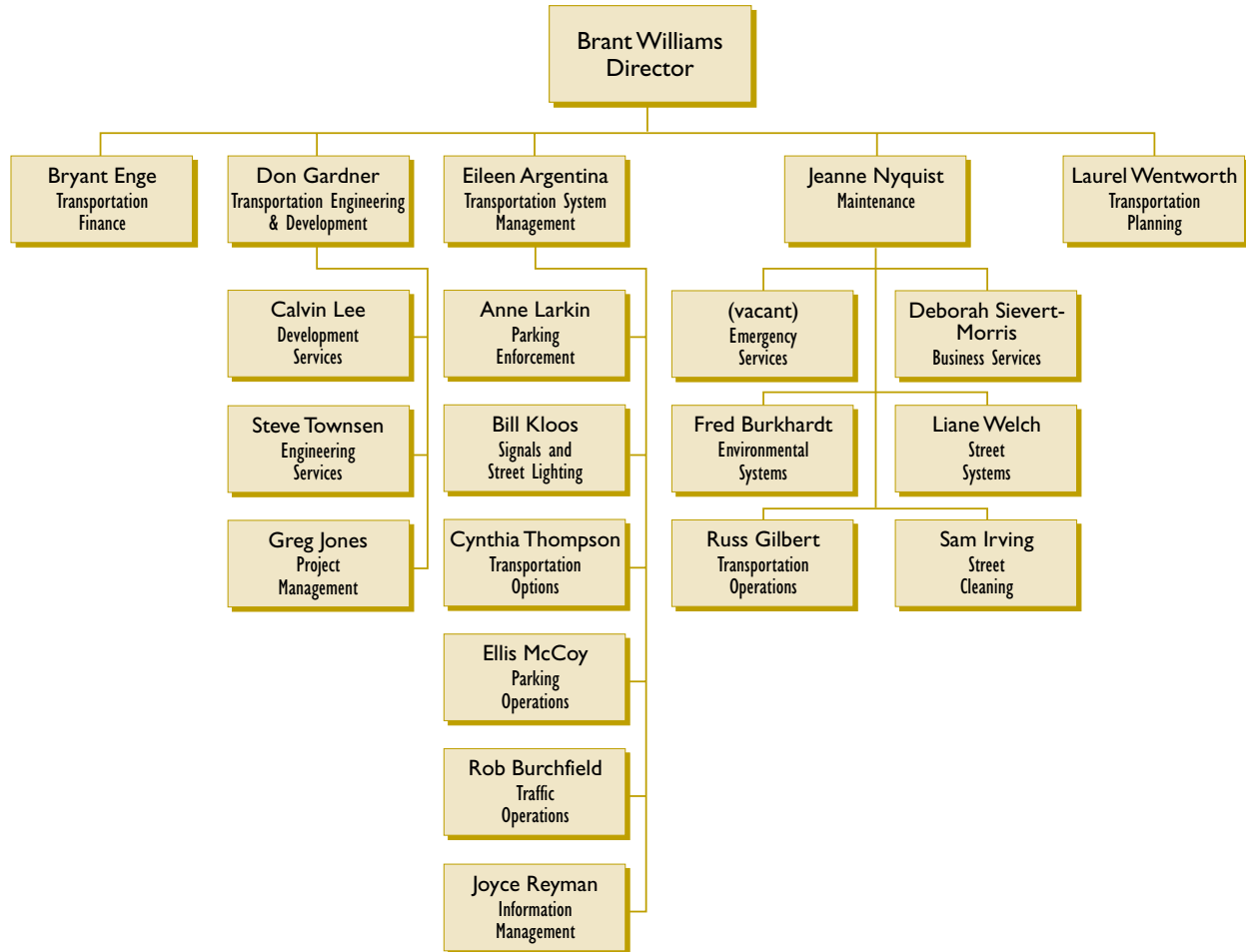
- ▣ Citizens and decision-makers who understand and value the links between the transportation system and the livability and economic vitality of the community.
- ▣ A funding framework that supports good stewardship of transportation assets.
- ▣ A successful transportation agency that is measured by service standards and values that are consistent with those of the community.

## STRATEGIES

1. Build and operate the transportation system to last.
2. Establish sustainable funding for a sustainable infrastructure.
3. Deliver projects for people, jobs and neighborhoods.
4. Tell the transportation story.
5. Pull together as one organization.

# Organization

Transportation is organized into four Bureaus: Maintenance, Transportation System Management, Transportation Engineering and Development, and the Office of the Director. The Planning and Finance Divisions are part of the Office of the Director.



## BUREAU OF MAINTENANCE

The **Bureau of Maintenance (BOM)** is a national leader in adopting new technologies and innovative work methods that result in a cost-efficient and well-functioning transportation system. From coordinated scheduling of maintenance work with other City, regional, and private sector roadway activities to innovative, cost-recovering recycling programs and nationally recognized asset management planning, BOM continues to demonstrate its ability to pro-actively respond to an increasingly complex environment in a fiscally responsible manner.

Programs in the Bureau of Maintenance include:

- ▣ Street Preservation
- ▣ Traffic Maintenance
- ▣ Street Cleaning
- ▣ Sidewalk Preservation and Safety
- ▣ Structural Maintenance
- ▣ Emergency Services
- ▣ Environmental Maintenance
- ▣ Stormwater Maintenance
- ▣ Bureau of Transportation Systems Management

## BUREAU OF TRANSPORTATION SYSTEM MANAGEMENT

The **Bureau of Transportation System Management (BTSM)** has pioneered solutions in safety, intersection improvements, and promoting transportation choices to enable the community to maximize the effective use of its transportation investments. Innovative programs such as Intelligent Transportation Systems (ITS), cooperative safety programs with the Bureau of Police and citizen groups, SmartMeters, and capturing and reinvesting Business Energy Tax Credits illustrate BTSM's creative approach to tackling congestion, neighborhood speeding, economic viability, and intersection safety problems.

Programs in BTSM are:

- ▣ Electrical Maintenance
- ▣ Parking Enforcement
- ▣ Parking Operations
- ▣ Street Lighting
- ▣ Traffic Investigations
- ▣ Traffic Signals
- ▣ Transportation Options
- ▣ Information Management

## BUREAU OF TRANSPORTATION ENGINEERING & DEVELOPMENT

The Bureau of Transportation Engineering and Development (BTED) is the capital investment and development service arm of Transportation. BTED creatively leverages about \$6 million in General Transportation Revenue into nearly \$50 million in investments by dozens of partner agencies in Portland's transportation infrastructure. BTED's challenge is to direct these investments in a fiscally responsible way toward meeting the goals and visions of the comprehensive Transportation System Plan. Projects such as the nationally acclaimed Portland Streetcar, the Main Streets program, and various improvements of arterials to support freight movement demonstrate the breadth of tasks that BTED manages to improve both Portland's economic base and livability.

BTED's programs include:

- ▣ Project Management
- ▣ Engineering Services
- ▣ Development Services

## OFFICE OF THE DIRECTOR

The Office of the Director (OTD) provides leadership as well as overall planning, policy, financial, and administrative services for Transportation. Portland has an international reputation as a well-planned city, with citizen involvement and livability at the forefront, ensuring that economic growth and the region's acclaimed high quality of life are sustained into the future. OTD also helps operating sections integrate new technologies and new leading-edge methods into their business practices to maximize efficiency, particularly with the Infrastructure Management System (IMS). In these tough economic and fiscal times, Transportation carefully manages its revenues and expenditures to ensure that citizens obtain the maximum benefit from every dollar invested in their transportation system.

Programs in OTD are:

- ▣ Transportation Planning
- ▣ Finance
- ▣ Operations Support/Administration

# Honoring Achievement

## **Phil Harris (inset), Art Pearce, Steve Iwata** Office of the Director-Killingsworth-Russell Street Improvements

The Killingsworth and Russell Street Improvements Projects were the focus of the Station Access Street Improvements Project. These projects capitalized on the opportunity created by the construction of the Interstate MAX to link major employment centers, local businesses and neighborhood residents with light rail. Funded in part by Oregon's Transportation and Growth Management (TGM) program, these projects created new design options with significant community participation to create new streetscapes that are pedestrian-friendly, take advantage of light rail, promote economic renewal, and preserve and enhance the historic character of these neighborhoods. The Killingsworth and Russell Street plans were approved by City Council in August and November 2003, respectively.



## **Stacy Bluhm, Denise Dietrich** Bureau of Transportation Engineering and Development- Marine Drive Project

The North Marine Drive project improved 2.2 miles of this regionally important arterial in the Rivergate Industrial District. Through extensive public involvement that included representatives from the Rivergate businesses, environmental protection advocates, neighbors, the railroad, and public agencies, the project evolved into a transportation and environmental protection effort. This partnership resulted in the creation of a multi-modal transportation project that promotes economic development by improving access to Terminal Six, the region's only deep-water port, and an environmental improvement effort, protecting the Smith & Bybee Lakes Wildlife Area.



## **Kathy Mulder, Dave Hill and Tom Imhoff, George Bean** Bureau of Transportation Engineering & Development and Bureau of Maintenance Project Team



This team revamped Transportation's means of awarding small development projects, enabling BOM sections with appropriate expertise to be awarded tasks rather than contracting them out. This reduced costs by cutting overhead, while retaining valuable skilled staff during lean budget years.



## Sunderland Yard Recycling Program/BOM Environmental Team

### Bureau of Maintenance

Team members in the Environmental and Recycling Programs work together to identify and implement opportunities for bureau employees and to be effective environmental stewards. Together, the Environmental and Recycling Programs lead the way by encouraging and promoting environmentally responsible behavior while maintaining the community's investment in Portland's transportation and sewer systems.

*Back Row: Brant Williams, Jeanne Nyquist, Mike Park, Clarence Rushing  
Front Row: Liane Welch, Jill Jacobsen, Marni Glick, Pete Schillaci*

*Not pictured: Linda Johnson, Jim Davis, Bob Dearixon, Darren Maplethorpe, Roger Mathes*



## Caleb Hailey, Mark Friedman, Cheryl Carlson, Nolan Mackrill, Ken Swails, Rich Thallheimer, Derek O'Bannon, Steven Koch (inset)

### Bureau of Transportation System Management - Handheld Citation System

This team implemented new hand-held technology into the parking enforcement program. More than just a automated ticket writer, the new Politess hand-holds generate citations, broken meter reports, abandoned auto reports, sign repair/replacements, daily sheets, and more. The project was a huge success, resulting in the following benefits:

- ▣ Reduced data entry (and thus reduced errors), resulting in more accurate citations.
- ▣ Reduced complaint calls from ticketed motorists.
- ▣ Dramatically reduced paper use.
- ▣ Reduction in space-, time-, and labor-intensive archives.
- ▣ Automated transfer of data to the Court and to BOM units responsible for repairs.



Keys to project success included forging strong partnerships up front with the vendors (Politess and Schweers) and the Multnomah County Circuit Court, and the involvement of deputies in selection, testing, evaluation, and programming the units. Deputy acceptance is high and performance is excellent.



### Mark Lear

#### Special "Big Bucks" Award: Traffic Safety Account

Mark initiated a modification to Oregon law which dedicated an increase in traffic fines to a new Traffic Safety Account. The account is used to fund traffic safety programs and is managed by a consortium of PDOT, the Police Bureau, and a citizen oversight committee. The program, with an annual budget of \$2.5 million, uses the "three E's" of Enforcement, Engineering, and Education to reduce unsafe traffic behaviors at a time when traffic safety programs have been hard-hit by budget cuts.

Sidewalks  
3,066  
miles of curb

Bikeways  
206 miles

Unimproved  
Streets  
131 lane-miles

# Growth & Livability

**Ensure that the City's transportation system becomes more multi-modal, supports growth, enhances livability, and improves public safety.**

## SUPPORT GROWTH AND ENHANCE LIVABILITY

Portland is a **freight crossroads** for the region due to the intersection of I-5 and the Columbia River and the unique geography that enables the crossing of two major **railroads** through the Cascades. According to ODOT, freight transportation accounts for 15 percent of the state economy. The Federal Highway Administration estimates that freight tonnage will double on the west coast by 2020. Mobility of goods is key to getting the region's agricultural, high-tech and other goods to market and thus is essential to the success of the region's economy.

The stagnant regional economy has led the City of Portland to pay particular attention to freight as a transportation mode to help generate economic opportunities. In particular, achievements in FY03/04 include:

- ▣ **Freight Advisory Committee**—Formed in FY03/04, the Portland FAC is an advisory group consisting of key public and private players in the freight area. The FAC advises Transportation on policy and design issues related to freight. Portland staff also participate on the statewide and regional Freight Advisory Committees comprised of technicians, policy and professional persons.
- ▣ **Freight Master Plan**—Completed June 30, the first phase of the FMP outlines an overall strategy for enhancing freight mobility and identifies specific projects to relieve key traffic bottlenecks. The City is committing \$100,000 of ongoing General Transportation Revenue, including a dedicated staff person, to FAC support and FMP implementation.
- ▣ **Bybee Overcrossing**—The Bybee viaduct was a substandard, load-limited structure. The old overcrossing was torn down in February, 2003 to make way for a new structure which will accommodate heavy loads, reduce maintenance costs, and make it rail-ready. Construction is underway; completion is expected circa Thanksgiving 2004.
- ▣ **East End Connector**—This \$30 million project, paid for with OTIA and City funds, will ease constrained freight movement from Columbia Boulevard to Killingsworth at the I-205 interchange. Design is 25% complete; construction will begin in FY05/06.



Other recent accomplishments supporting freight mobility include:

- ▣ **Freeway Loop Analysis**—Following up on the I-5 Trade and Transportation Study, adopted by Council in January 2003, ODOT and the City are examining the long term needs for the I-5 Corridor from the Fremont Bridge to I-205 in context with the I-5/I-405 Freeway Loop. The study's focus is on the role that the freeway system plays in sustaining the regional economy and enhancing urban development.
- ▣ **North Lombard Project**—Removing two at-grade rail crossings will ease freight access to South Rivergate Industrial Area. \$5 million; in construction; 25% complete.
- ▣ **Lovejoy Ramp**—This project enabled development of the River District by eliminating an obsolete viaduct that divided the developable land in the River District in half.

City of Portland Freight Capital Program Five-Year History (\$1,000's)					
	FY99-00	FY00-01	FY01-02	FY02-03	FY03-04
Total	2,603	19,887	16,914	16,224	8,162
% of CIP	10.3%	39.9%	55.4%	47.4%	29.5%

## MULTI-MODAL SYSTEM

**Reducing congestion** is essential to improving mobility and air quality, both of which help to sustain economic growth and improve livability. Portland can't build its way out of congestion, but we can better manage system demand. One key way is to encourage people to use alternative modes of transport to the automobile—and to provide alternative options. Portland has been very successful in its strategy of providing alternative transportation modes.

One of the City's premier recent accomplishments in providing transportation alternatives is the completion of the **Portland Streetcar**, serving riders from PSU to Northwest Portland in a 2.4-mile loop. The Streetcar opened in July, 2001 and serves 5,700 riders per day. The Streetcar, owned by the City and operated by TriMet, has achieved national acclaim for innovation and design and has sparked interest across the country. Its **impact on development** is also significant. Over \$1 billion in development is occurring or has occurred in the district served by the streetcar since plans for construction were announced in 1997. In FY2003-04, work began to **extend the Streetcar** 0.6 miles from PSU to River Place. Completion is expected in 2005.



On May 1, 2003, the region celebrated the opening of the new **Interstate MAX** "yellow" line from the Convention Center in inner Northeast to the Expo Center in North Portland. The new line connects key areas in North Portland to the expanding rail system, and may cross the Columbia River if the Vancouver, WA area opts in to the system. The City was an active partner in the IMAX project, particularly in the construction of the **\$16M Lower Albina Overcrossing**. The **IMAX South** extension to Clackamas, which includes **renovation of the Transit Mall**, is now in the preliminary design stage after approval of the March, 2004 Conceptual Design Report.

The Transportation Options program established a partnership with the Oregon Department of Energy and US Bank to gain **Business Energy Tax Credit** dollars for energy conservation investments. BETC provides \$250,000 in annual revenue and reduces congestion by promoting the reduction of single-occupancy vehicle trips, funds innovative transportation initiatives such as **TravelSmart**, and provides educational materials to encourage safe and effective uses of other modes of transportation.

The **Transportation System Plan**, completed in 2002, guides and coordinates the City's policy and investments for transit, motor vehicle, freight, pedestrian and bicycle systems over a 20-year planning horizon.

Planned achievements in FY04-05 include:

- ▣ **Central City Transportation Master Plan (CCTMP)**—This update establishes the City's comprehensive transportation policy, with special focus on the Central City sector.
- ▣ **Streetcar Extension**—Phase III of the Streetcar will extend from the current terminus at the PSU Urban Center to Riverplace with a new terminus at the foot of the Marquam Bridge.
- ▣ **Pedestrian Crossing Projects**—These projects, funded by ODOT, will build median islands and curb extensions on seven busy streets under ODOT jurisdiction to increase walkability and pedestrian safety.

## PUBLIC SAFETY INITIATIVES

The **Community and Schools Transportation Safety Program (CSTSP)**, created in FY03/04, leverages \$2.5 million in funds from increased traffic fines enacted by the 2003 Oregon Legislature to pay for safety initiatives. Using a combination of enforcement, engineering, and education strategies, this partnership between Transportation, the Portland Police Bureau, Portland School Districts, Multnomah County Circuit Court, and others enjoys broad-based community support and involvement.

The **red light camera** initiative, renewed in FY03-04, first went live in FY02-03 with 6 cameras at Portland's most dangerous intersections based on accident history. The goal of the program is to reduce accidents by raising the awareness of the danger of red-light running through passive enforcement. The program has been very successful, resulting in **60-85% reduction in violations** (150,000 fewer incidents) at those sites. Portland plans to expand to the legislative limit of 12 cameras by adding two per year, and maximizing their impact by rotating the cameras among several high-risk locations.



## OTHER GROWTH AND LIVABILITY INITIATIVES

Other key initiatives in FY03/04 toward achieving the Transportation's livability and mobility goals include:

- ▣ **South Waterfront**—This project is a public-private partnership developing the South Waterfront area. \$12 million in direct public contributions and \$150 million in tax-increment financing are expected to spur \$1 billion in private investment, create up to 10,000 jobs, and result in up to 3,000 new housing units.



The City's principal portion of the project is the aerial tram from South Waterfront to OHSU, which will provide a three minute commute between the two sites. This transportation initiative provides OHSU the opportunity to expand across undevelopable land, retain its central city location, and support the City's goal of becoming a biotechnology hub in the region.

Funding proposals are being negotiated with all parties and bids are going out now for design and construction. This City-owned asset will be operated and maintained by Portland Area Tram Inc., a new entity, following the Streetcar model. The goal is for operations and maintenance to be self-funding through farebox recovery.

- ▣ **New Columbia Villa (Hope VI)**—Part of an 850 unit mixed income housing development, Transportation's role is to replace the existing closed street system with one of greater connectivity to the larger neighborhood. Federally funded, construction underway.
- ▣ **Transit Mall**—As mentioned previously, the Transit Mall reconstruction project is a key project, enhancing transit as well as downtown economic development. Plans continue to secure financing and prepare detailed designs.
- ▣ **North Killingsworth Streetscape Plan**—This plan was adopted by City Council in August, 2003. The project creates a streetscape concept plan and design guidelines for N/NE Killingsworth St between N Interstate St and NE Martin Luther King Jr. Boulevard. Project improvements will address streetscape improvements including trees, curb ramps and sidewalk improvements, street lights, road crossing and bus stop changes, traffic signs, trash containers, bicycle access, and art.
- ▣ **Transit improvements** include support for pedestrian/transit improvements along transit lines offering 15 minute everyday service around the City.

## ENVIRONMENTAL MANDATES AND SUSTAINABLE PRACTICES

The City’s stewardship of transportation infrastructure includes being responsive to environmental concerns. This includes following best practices in the use of sustainable and non-polluting materials (such as sand instead of salt for snow and ice response), and committing resources to respond to environmental mandates. Specific activities supporting sustainable transportation and development practices include:

- ▣ **ESA Culvert Replacement and ESA Program Support** – Transportation sets aside \$50,000 per year for culvert replacement projects. FY04-05 funding is programmed to replace a culvert in Crystal Springs Creek that is blocking fish passage. This 100% grant-funded project is a joint effort with the Parks Bureau and BES. In addition, Transportation continues to provide about \$200,000 per year in an interagency with the Bureau of Planning in support of ESA issues.
- ▣ **BETC**–The Business Energy Tax Credit (BETC) program, described earlier in this report, funds programs that reduce energy consumption and improve air quality.
- ▣ **Recycling Program**–Transportation takes an environmentally responsible approach to disposing of waste materials generated as a result of street and sidewalk repair and leaf removal activities. Concrete and asphalt are downsized and reused as backfill and shoulder fill, reducing costs of disposal as well as material purchasing, and generating income (sidewalk repair contractors may dispose of reusable materials, usually for a small fee). Leaves collected during the fall sweeps are mulched into “Earth-wise” certified high quality garden compost and sold for at \$16/yard to the public and other agencies. BOM is investigating smaller packaging units as well.

Selected Recycled Statistic, 2003	
Material	Tons
Concrete and Asphalt	15,774
Yard Debris (leaves)	3,735
Asphalt Emulsion	985
Lumber/Wood Debris	106
Tin/Aluminum	4.9
Insulated Copper Wire	0.5
Fluorescent Lamps	1.4

## KEY PERFORMANCE INDICATORS

On-Request Service	FY03-04 Target	FY03-04 Actual
Streetcar Ridership (average weekday)	n/a	5,629
Weekday Bus/Max Boardings (average weekday)	286,000	292,000
Curb Miles of Streets Swept	58,230	50,007
Carpool Utilized Permits	n/a	6,157

Pavement  
3,951 lane-miles

Right-of-Way  
2,004 miles

Signs  
131,631

# Stewardship

**Maintain and preserve the investment in the transportation infrastructure.**

## ASSET MANAGEMENT PLANS

Transportation manages \$5.7 billion in over 30 different types of transportation assets, by far the largest inventory of infrastructure among City Bureaus. Proper, frugal stewardship of these assets requires a systematic management approach. Portland is among the international leaders in adopting and developing best practices in asset management, whose elite company includes Brisbane and Sydney, Australia; Vancouver, BC; and New Glasgow, Nova Scotia.

Transportation has developed asset plans for seven key asset groups: pavement, signals, streetlights, and structures in 2001; signs in 2002; pavement markings in 2003, and sidewalks in 2004. As the Table below shows, these seven asset types comprise \$5.7 billion in total asset inventory. The plans each identify an asset manager; establish a baseline inventory, identify key performance indicators for asset condition and maintenance, assess the current condition and needs, and prioritize action items for improved stewardship.

**Transportation Asset Inventory and Value - Seven Key Asset Groups**

Asset	Amount	Value
Pavement	3,951 lane-miles improved streets	\$4.02 Billion
Pavement Markings	1,584 miles linear markings 19,674 other markings	\$3.4 Million
Sidewalks	8,511,637 sq. yds. of sidewalk 3,066 miles of curb 36,998 improved corners	\$1.2 Billion
Signs	134,484 signs 86,233 sign mounts	\$12.6 Million
Streetlights	55,700 city street lights	\$69.1 Million
Structures	155 bridges 495 retaining walls 179 stairways	\$297 Million
Traffic	989 signalized intersections	\$106.8 Million

Issues raised by the Asset Management Plans include:

- ▣ Across the board, **inventories** increased rapidly in the 1990's, largely due to annexations, and continue to increase, albeit more slowly.
- ▣ **Condition** of assets is generally deteriorating; some asset groups (pavement, signals, structures) already are sporting large **backlogs** of repair, replacement, and maintenance.
- ▣ **Funding is inadequate** for sustainable maintenance and replacement of assets, causing backlogs to increase and conditions to worsen annually.
- ▣ **IT investments**, particularly in Maximo and mobile data units, have achieved noticeable operational efficiencies, but **more support** of the systems is needed to maximize the efficiencies possible.

Retaining Walls  
495

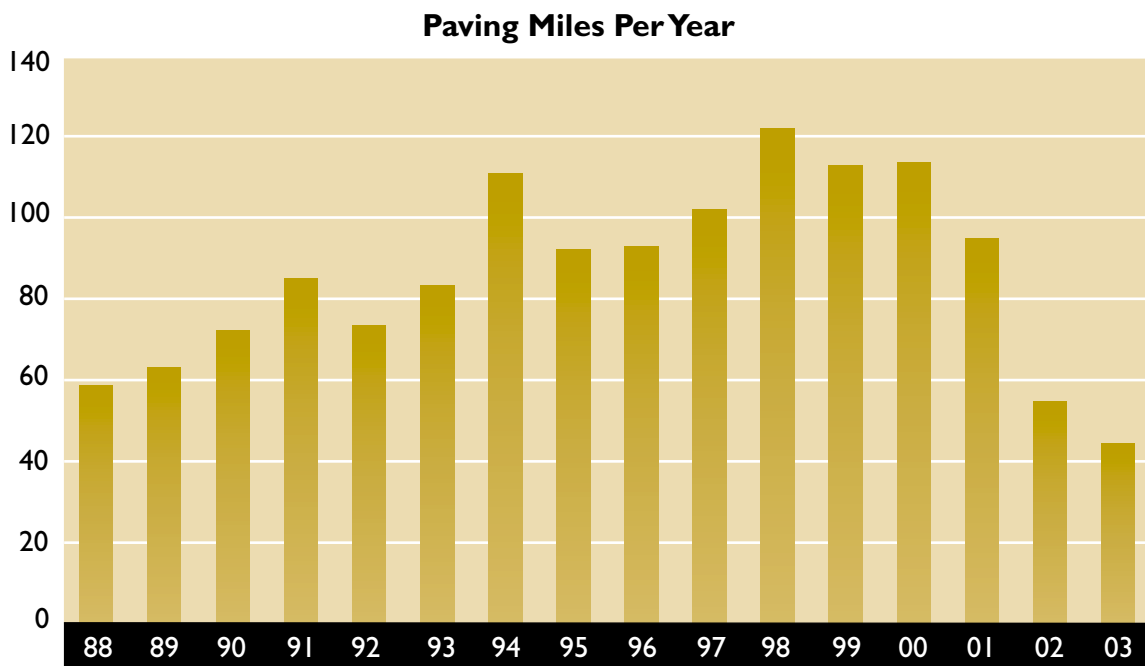
Stairways  
179

Sidewalks  
8,511,637 sq. yds.

## KEY PERFORMANCE INDICATORS

Transportation Asset Management Performance Measurements				
Asset	Indicator	FY03-04 Target	FY03-04 Actual	FY04-05 Target
Pavement	Resurfacing, lane-miles*	35	44.5	50
	Slurry Seal, lane-miles*	0	0	50
Pavement Markings	Re-stripe (pass miles/yr.)	2,573	2,664	3,030
Curbs	% in Fair, Good Condition	90%	90%	90%
Signs	% in Fair, Good Condition	n/a	66%	66%
Bridges	% in Fair, Good Condition	n/a	66%	67%
Traffic Signals- Controllers Hardware Signal Repairs	% in Fair, Good Condition	n/a	90%	n/a
	% in Fair, Good Condition	n/a	64%	n/a
	Average Response Time	1 day	1 day	1 day

\* Lane-miles = 28-foot equivalents



# External Communications & Public Services

**Build effective working relationships with the public, customers, and other parties, and create awareness and understanding of transportation issues among city residents and City employees.**

## BUILD EFFECTIVE WORKING RELATIONSHIPS

Portland places a high value on creating opportunities for citizen input to its provision of services. Service provision is more effective when those being served can help shape the outcome. The expertise and perspective shared by hard-working, concerned volunteers is invaluable in ensuring that all aspects of a problem have been considered before concrete is poured. Involving citizens also helps build trust in the process and buy-in to the outcome. Transportation has several committees providing opportunities for input into policies, and advice on projects. The table below lists some examples of these opportunities for citizen input:

Key Citizen Involvement Groups			
Project/Issue	Committee Name	Role/Function	Members
Freight Mobility	Portland Freight Committee	Advisory-Freight issues	41
Bicycle Network & Safety	Bike Advisory Committee	Advisory-Bicycle issues	11
Pedestrian Advocacy	Pedestrian Advisory Committee	Advisory-Pedestrian issues	12
Project Advisory Committees	Various	Citizen input to project planning	Varies

Furthermore, Transportation participates in a number of national, state, and regional transportation policy and coordinating committees. This ensures that Portland's needs are represented effectively in these arenas, and also enables the exchange of best practices information among key regional transportation agencies.

Key Transportation Policy Committees With PDOT Representation			
Project/Issue	Committee Name	Role/Function	Representation
Road Finance	Road User Fee Task Force	Recommend new funding source to Legislature	Stakeholders Group
Regional Transportation Planning	Joint Policy Advisory Committee on Transportation (JPACT)	Coordinate Regional Transportation Policy	Commissioner
Oregon League of Cities	Transportation Subcommittee Interstate Corridor Urban	Coordinate city transportation issues	Commissioner & staff levels
Urban Renewal	Renewal Area Transportation Sub-Committee	Prioritize project list	Staff
Regional Transportation Planning	Transportation Policy Alternatives Committee (TPAC)	Policy development	Staff

Transportation also works closely with area agencies such as the **Port of Portland, ODOT, Metro, TriMet, and Multnomah, Washington and Clackamas Counties** to coordinate policy, projects, and legislative efforts. Transportation works with the City’s Office of Government Relations to coordinate efforts with the offices of Congresspersons **Blumenauer, Wu, and Hooley** to maintain awareness of opportunities for federal support for local initiatives, and with Portland-area state legislators on transportation initiatives (such as OTIA) in Salem.

## CREATING PUBLIC AWARENESS

Unlike other large City Bureaus, since FY02-03 Transportation has not had a dedicated **external communications program**. Subject matter experts provide information in response to media inquiries, and coordinate these efforts with the City’s Public Information Officer. However, there is **no pro-active resource** available to enhance public awareness of the challenges the bureau faces in completing its mission.

Transportation’s strategic plan identified this as a key gap in its ability to create public awareness of transportation issues. Reinstating this program is a key initiative for FY04-05.

## KEY PERFORMANCE INDICATORS

- ▣ **Snow and ice removal**—The snow and ice storm that hit Portland in early January, 2004 created a transportation challenge to citizens, businesses, and public service providers alike. The Bureau of Maintenance (BOM) responded quickly to this event with a well-rehearsed, well-executed plan. The majority of citizens and partner agencies surveyed responded that BOM did an outstanding job meeting the City’s Snow and Ice Plan objectives. BOM kept major arterial and collector streets passable, provided assistance to its public transportation partners, and responded to over 1,500 requests for service, mostly on residential streets, throughout the event. An evaluation of the City’s response included several low-cost recommendations for improving service in future events.
- ▣ **Permits**—Obtaining access to the right of way is a key service for Portland transportation system users, but this access must be managed in order to ensure effective use. To this end, Transportation issues permits for a variety of transportation-related activities, for example: street development and improvements, parking, and use of the right of way. Revenues obtained from these services are used to defray the costs of services provided. Revenues obtained from these services are used to defray the costs of services provided. The table below shows the level of service that the City provides in these areas:

Permit	# Issued in FY03-04	Revenue
Utility Road Cuts	1,808	\$ 789,500
Central Business District ROW	1,359	\$ 59,659
Building Plan Review	2,944	\$ 385,895
Development Review	4,693	\$ 369,147
Design & Construction Starts	240	\$1,154,834
Right-of-Way Acquisitions	142	\$ 460,998
Parking Permits	12,187	\$1,325,556

- ▣ **Response to citizen requests**—Some services are provided on request, in some cases requiring the requesting party to pay the costs. The table below shows some key on-request service levels:

On-Request Service	FY03-04	FY02-03
Curb Replacements (Lin.Ft.)	14,158	8,516
Speed Bumps	13	27
Traffic Studies	1496	1,294
Avg. Response Time-Filling Potholes	2 days	2 days

# Internal Effectiveness

**Make Portland Office of Transportation an exemplary organization.**

## ORGANIZATIONAL EFFECTIVENESS

### Strategic Plan

In order to position the organization for the future, to be responsive to the City Council, and to maximize our ability to continue to deliver quality service to the citizens of Portland, Transportation engaged in an inclusive and comprehensive Strategic Planning process in FY03-04. The process had four broad objectives:

- ▣ Examine current trends, opportunities, and challenges that face the organization.
- ▣ Review citizen needs and expectations and, if necessary, realign services accordingly.
- ▣ Build further on internal coordination and integration efforts, and where possible, remove barriers that keep Transportation from working as one organization.
- ▣ Better coordinate and integrate Transportation as a partner in the overall City of Portland organization.

The process resulted in the completion of the Strategic Plan in June 2004, with revised organizational mission, values, and vision statements, and five-year strategic objectives. The plan is summarized on page 3. This plan will focus our planning, development, operations and maintenance activities and ensure that each of these activities are in alignment for the years to come.

## ORGANIZATIONAL EFFICIENCY

### Technology Innovations

Transportation continued to integrate technological advances into its business operations, making it a more efficient and effective organization. Technology innovations in FY03-04 include:

- ▣ Introduction of **hand-held field units** for parking enforcement, resulting in more accurate citations, a reduction in complaint calls from ticketed motorists, reduction in paper use and costs, and fewer errors. Hand-held devices are also planned for BOM field staff, with pilot programs scheduled for FY04-05.
- ▣ The **Infrastructure Management System** continued to add functionality, adding a service request module and several asset data maintenance tools to enable geographic-based management of asset data. Future improvements include mobile units, condition monitoring, and a version upgrade which will reduce support costs and make data searches more user-friendly.
- ▣ Transportation co-led implementation of **BRASS**, the City's new budgeting system, providing the project manager and acting as a pilot bureau for Phase I of the implementation. The system, to be rolled out to all City Bureaus in FY04-05, provides powerful search and reporting tools, easy-to-use data entry screens, and will ease budget consolidation for Office of Management and Finance when implemented City-wide in FY04-05.
- ▣ Transportation is also participating in the **citywide Enterprise Resource Planning (ERP) system initiative**, which will replace various currently disparate and obsolete administrative systems into a single, modern, integrated package.

## Operational Efficiencies

- ▣ **Vehicle Management** – Transportation has been participating with Vehicle Services and several other bureaus in evaluating efficiencies through better fleet management. Cost savings are expected through reducing life cycles on high maintenance equipment, better utilization of equipment, and favorable lease rates.
- ▣ **Project Implementation Team** – Transportation is using internal resources to implementing smaller construction projects that would have previously been performed by private contractors. A two-year pilot program has yielded significant savings and improved services which resulted in fewer service reductions to ongoing transportation maintenance programs. The plan is to expand and formalize the program, designate a program leader and consolidate forces to further increase efficiencies.

## STAFF DEVELOPMENT

Transportation values diversity and inclusivity, and is constantly striving to help make its workforce reflect the makeup of citizens in the Portland community. In 2003, Transportation hired the Commonway Institute to perform an “Inclusivity Gap Analysis” to assess the working relationships among staff as it relates to workplace culture factors such as race/ethnicity, class, gender, and orientation.

While no serious issues or “smoking guns” were found, the study concluded that some important improvements could be made to help make Transportation the exemplary organization it strives to be. Issues included difficulties in internal communications (“silos”), clarity of organizational goals, and a desire for greater empowerment at all levels. Positives included high workplace enjoyment, and a high level pride in the organization and the work it does.

The study was followed by mandatory **Inclusivity Training** for all employees to help bridge the gap between the state of affairs found in the study and the desired state. Inclusivity training will continue in FY2004-05.

## KEY PERFORMANCE INDICATORS

Efficiency and Organizational Development		
Area	Goal	Actual
Sustainable Paper Use	15% reduction in paper use by 2008 Completion of Reduced Use Plan, July 04	Substantial reduction of paper use in Parking Enforcement via use of new hand-helds Reduced Use Plan completed
Diversity in Employment	% Minority employees % Female employees	16.92% 25.15%
Overhead	Support staff 7% of total staff	7.06%

Value of Assets  
(excluding ROW)  
\$5.9 billion

Value of Assets  
(including ROW)  
\$9.7 billion

Value of  
Pavement  
\$4.0 billion

# Ensure Adequate Funding

**Ensure that Transportation has financial resources to maintain the public's investment in the infrastructure, and to improve the transportation system to accommodate and manage growth and maintain regional accessibility.**

## TRENDS

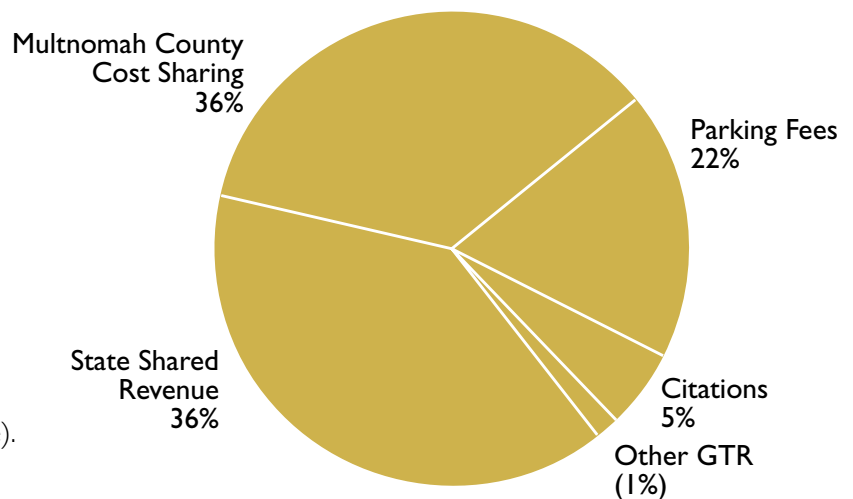
Continuing to provide opportunities for Portland citizens, businesses, and visitors requires a stable funding source that keeps pace with inflation. Current trends, however, put Transportation's ability to deliver quality services at risk. Transportation staff have adjusted to reduced purchasing power by stretching each dollar to the utmost, but without new revenues, significant program cuts are unavoidable in coming years.

## Revenue Sources

Transportation's discretionary revenues, "General Transportation Revenues," or "GTR", come from the following sources:

- ▣ The **State Highway Trust Fund**, funded principally by the 24 cents per gallon **gas tax** as well as vehicle registration and titling fees.
- ▣ The **Multnomah County transfer** of pooled state highway and some local funds, based on a 1980's agreement known as Resolution A.
- ▣ **Parking fees** from meters and permit parking programs.
- ▣ **Citations** (traffic and parking fine revenue).
- ▣ **Other miscellaneous sources.**

## General Transportation Revenue Sources



GTR is Transportation's principal resource for infrastructure maintenance and system operations. Other important sources of funds are:

- ▣ **General Fund**—about \$4 million per year of the City's General Fund is allocated to support the street lighting program.
- ▣ **Program Revenue**—about \$6-8 million per year, generated from fees charged to users of the right of way to recover costs incurred by their activities.
- ▣ **System Development Charge**—fees imposed on developers to pay for transportation costs incurred specific to development in a particular area.
- ▣ **Grants, Donations, and Contracts**—principally federal funds for urban renewal – varies considerably from \$2-\$13 million per year.
- ▣ **Interagency Revenue**—Funds provided by other City bureaus for Transportation to perform services on their behalf. Varies but typically about \$20 million per year.

Value of Sidewalks  
\$1.2 billion

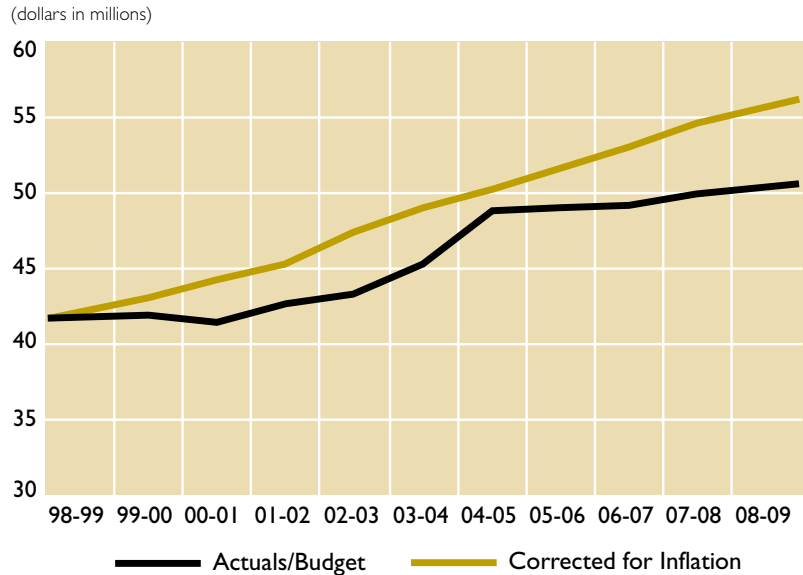
Value of Structures  
\$465 million

Value of Traffic Signals  
\$108 million

## Flat Gas Tax

The State Highway Trust Fund, Transportation's primary source of discretionary operating revenue, is not keeping pace with inflation. The main component of Highway Trust Fund revenue is gas tax revenue, which is not indexed to inflation and has not been increased since 1993. Total loss of general transportation revenue (GTR) purchasing power from inflation will be nearly \$20 million over the next five years. The result is that discretionary funding will not be sufficient to meet projected expenditures in coming years, as shown in the table below. The 2003 Legislative Assembly increased vehicle registration fees in the **Oregon Transportation Investment Act (OTIA) III**, resulting in increased Highway Trust Fund revenue, but it has not been enough to fully offset the effects of inflation on Transportation's purchasing power.

## State Highway Trust Fund Revenue

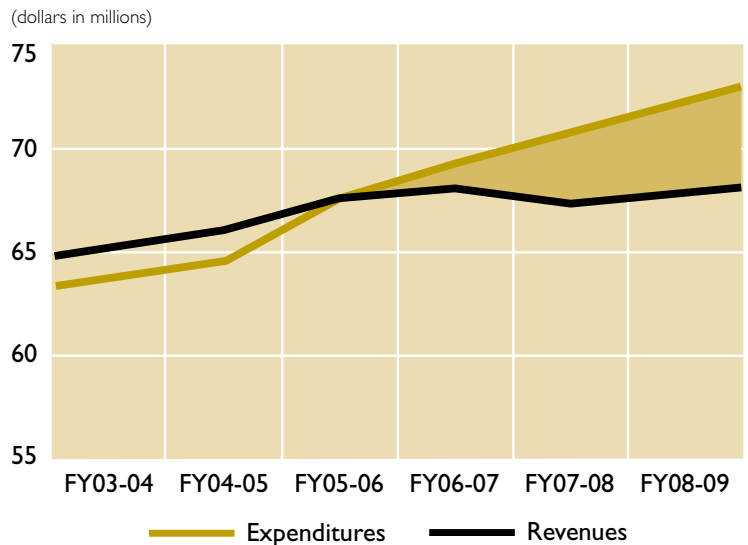


## Other Funding Issues

Other factors have contributed to Transportation's projected funding shortfalls:

- ▣ Transportation took a 2.5% (\$128,000) **General Fund cut** in FY03-04, on top of a \$1 million cut in FY03-04.
- ▣ **Parking Garage Transfer revenue** has declined from FY01-02 by \$1.1 million in FY 02-03 due to the slow economy. It is expected to stay at these lower levels through FY 05-06. The transfer will be reduced from FY03-04's \$1.4 million to \$.7 million in FY04-05 and eliminated for FY 05-06.
- ▣ Due to declining revenues from ticket sales for the Rose Garden Arena, the Spectator Facilities Fund can no longer provide for Transportation's portion of **Arena debt service**, approximately \$267,000 annually.
- ▣ **Parking Meter Revenues** are \$700,000 lower than forecast due to the weak economy.

## Projected Discretionary Funds Balance Expenses Exceed Revenues Afer FY05-06



## Risks

- ▣ The **Systems Development Charge (SDC)** sunsets on October 18, 2007 absent Council action to renew it. This represents approximately \$4-5 million per year in CIP funding.
- ▣ **General Fund** support for Street Lighting has declined each of the last several years, and continued tightness in the General Fund puts even the limited remaining funds at risk.
- ▣ The \$1.6 million **Portland Streetcar operations and maintenance contract** with TriMet expires in 2006. Under this contract, TriMet pays 2/3 of the operating costs of the Streetcar.

Value of  
Street Lights  
\$69 million

Value of  
Street Signs  
\$10.2 million

Value of  
Parking Meters  
\$7.5 million

- ▣ **Reserves** are low; even after adding \$2.7 million in FY03-04, they were still at only 68% of target. Moreover, the operating budget **contingency** was cut by 1/3 to \$1 million in FY04-05. Transportation will add \$200,000 to reserves in FY04-05; however, all but \$700,000 will be needed in FY05-06, leaving them at only 12% of target. This leaves Transportation with limited flexibility to respond to emergencies such as snow and ice storms, floods, etc. that have been experienced in recent years. Smaller reserves also risk increased operational costs due to the need for short-term borrowing. Analysis of the appropriate cash balance amount to minimize short term borrowing is underway.
- ▣ **Backlog** continues to grow and represents a growing financial liability. Continuing to underfund asset maintenance increases future costs by an amount greater than the amount deferred. It is estimated that at least \$6.6 million in increased maintenance funding is required annually to avoid backlog increases.
- ▣ **GTR forecasts** reflect expected OTIA resources, whose future is uncertain at this time. Cuts in funding for some programs, such as street preservation, have been partially restored with OTIA funds but would be at risk if the program is not renewed.

## CIP Program

Transportation's capital program was \$25 million in FY03-04 and will be over twice that, \$59 million, in FY04-05. However, these capital projects are funded nearly entirely by outside sources. Discretionary CIP GTR in FY04-05 is \$1.5 million, approximately 3% of total CIP funding, down from \$2 million in FY03-04. Over one-third that amount is dedicated to signals system replacements. At the same time, there has been an explosion in leveraged funding—projects that improve or add to the City's transportation assets, funding for which never hits the City's books, but rather is spent directly by the partner agency. In addition to the \$59 million on-budget FY04-05 CIP, partner agencies spent \$19 million more in leveraged funds on City assets.

**65% of the  
FY04-05 CIP  
is for Urban  
Renewal**

The implications of these trends are that capital investments are directed toward areas supported by the goals of funding partners rather than the overall needs of the system. For example, due to the availability of funding, 65% of the FY04-05 CIP program is within Urban Renewal districts. The recently completed **Transportation System Plan (TSP)** will help prioritize transportation CIP investment in the future by guiding the search for funds based on system needs. However, discretionary revenue is needed to ensure that CIP spending corresponds to the comprehensive plan.

## FUTURE FUNDING OPTIONS

A quality transportation system that supports livability and a growing economy requires stable funding to pay for it. The solution will require support from all corners and is likely to consist of a mix of options. Possibilities include:

- ▣ **Economic Rebound.** A rebounding economy could enhance State Highway Trust Fund receipts over what is currently forecast.
- ▣ **Innovative Funding.** Transportation staff have shown great creativity in obtaining new funding for specific program efforts, such as the BETC and CSTSP cited above, as well as grant funding for specific projects. Transportation will continue to seek new funding sources for projects and initiatives consistent with its mission and goals.
- ▣ **Street Light Levy.** After the Measure 5 tax rollback passed in 1990, City Council opted to allow the street lighting levy to expire in 1993, and fund the program with General Fund dollars. The City could explore reviving the levy.

In addition, Transportation staff continue to research other long-term funding options, including those that have been considered in the past, such as user and parking fees. State legislative action in 2005 is also possible, but unlikely, on a general transportation funding package. If the legislature does not produce a package such as an "OTIA IV" for preventive maintenance, this will have significant impacts on future discretionary spending.

Bridges  
Unmet Need  
\$53.7 million

Paving  
Unmet Need  
\$78 million

Signals  
Unmet Need  
\$34 million

# Financial Statement

## INCOME STATEMENT

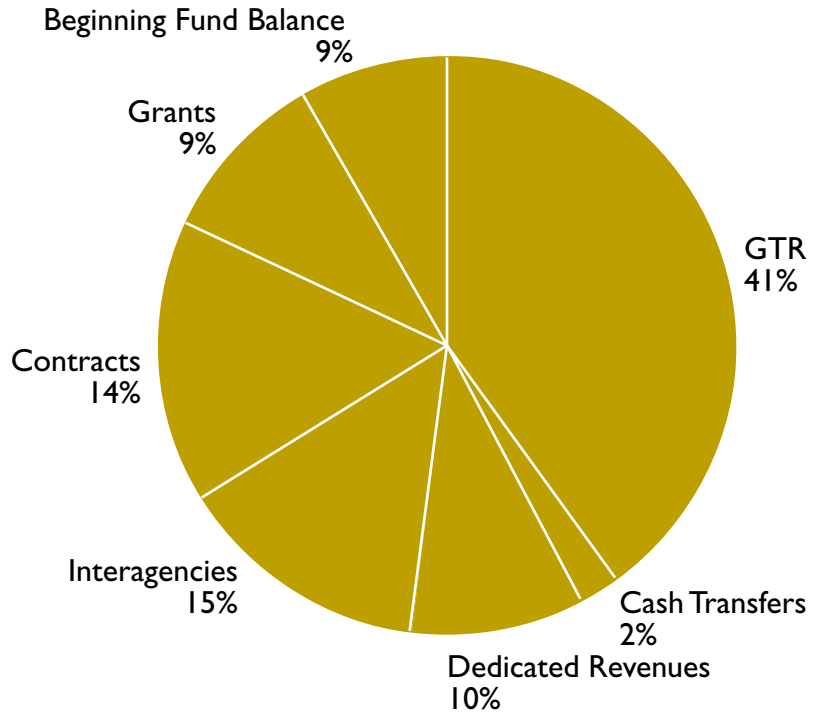
Period Ended June 30, 2004

Best available information as of September 13, 2004  
Unaudited—final figures will be reported in  
City of Portland's Comprehensive  
Annual Financial Report.

General Transportation Revenue (GTR), Transportation's discretionary revenue, comprises the largest segment of the Bureau's income, about 45% of budget.

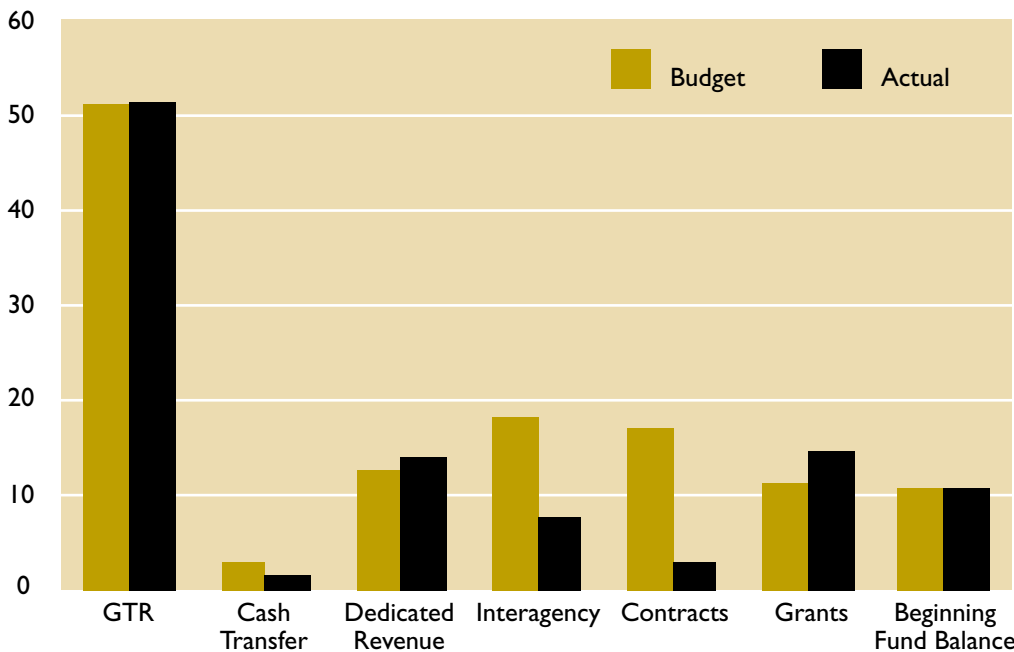
Grants, contracts, interagencies, and other dedicated revenue are dedicated to specific projects or services for the funding agency. Beginning Fund Balance and Cash Transfers are typically previously committed as well.

### Budgeted Revenue Sources



### Revenues FY03-04

(dollars in millions)



Collections for FY04-05 are below budget in nearly every revenue source. Of particular concern are Grants. Loss of grant funding, if not recovered later, would impact discretionary funding. GTR is slightly higher than expected which allows for some cushion on basic service levels.

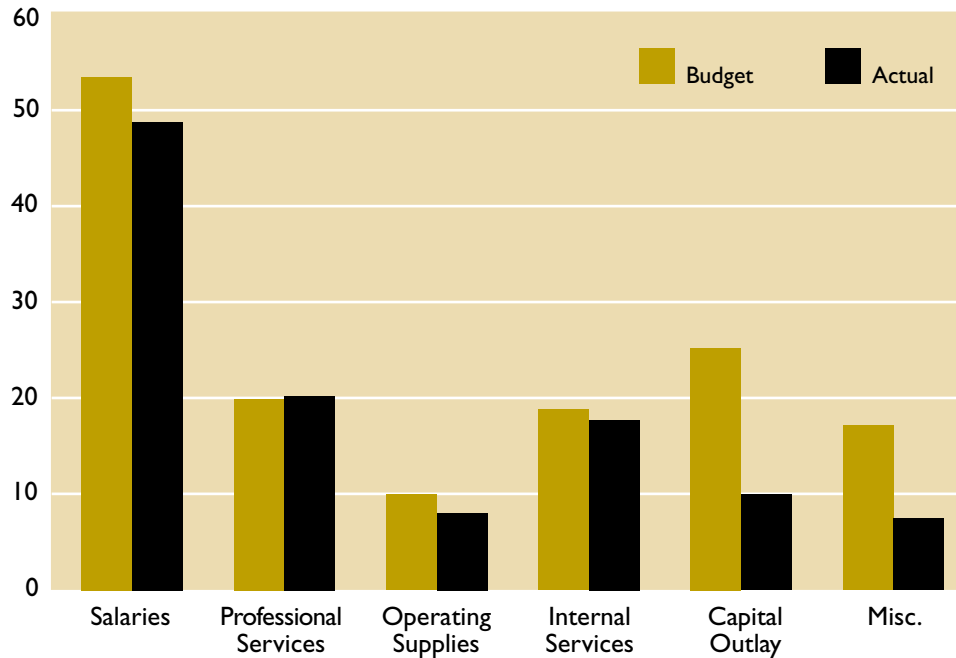
Street Lights  
Unmet Need  
\$7.2 million

Culverts  
Unmet Need  
\$49.7 million

Curb Ramps (ADA)  
Unmet Need  
\$43.8 million

## Expenditures

(dollars in millions)



Due to an expectation of declining revenues, Transportation managers aggressively reined in expenditures, resulting in a \$3 million positive cash balance in discretionary funding for FY03-04. This was buttressed by lower than expected costs in General Fund Overhead and Pension Debt. Capital Outlay expenses are matched by external funds, so underexpenditure in that area reflects carry-over authority for dedicated resources rather than savings of discretionary funds.

Programmatically, as shown in the table on the next page, expenditure savings accrued principally in the maintenance and operations activities. Resources from several maintenance programs were reallocated to unbudgeted snow and ice removal efforts (reflected in BOM's Emergency Services program total).

Of the \$3 million saved, approximately \$2.1 million will be allocated to reserves, currently only at 12% of target, to enable Transportation to offset flat revenues forecast in coming fiscal years. As shown in the table below, that will boost reserves to nearly half of its target level (10% of discretionary funding) in FY04-05.

Reserves (\$1000's) at beginning of FY			
	FY02-03	FY03-04	FY04-05
Actual	713	709	2,813
Target	5,782	5,983	5,967
% of Target	12.3%	11.9%	47.1%

Approximately two-thirds of the remaining savings will be used to offset unforeseen liabilities. The remainder will be held in contingency to enable flexible response to future unforeseen liabilities that inevitably arise.

## Operating Expenditures by Program (\$K)

(unaudited: as of API 3-4)

	FY03-04 Budget	FY03-04 Actual	FY03-04 Balance	FY04-05 Budget
<b>Bureau of Maintenance</b>				
Street Preservation	13,258	11,016	2,242	13,806
Traffic Maintenance	4,645	4,256	389	4,600
Street Cleaning	6,166	5,131	1,034	6,351
Sidewalk Preservation & Safety	2,769	2,628	140	2,839
Structural Maintenance	2,335	2,313	22	2,396
Emergency Services	392	2,826	(2,434)	295
Sewer Maintenance	7,481	8,341	(860)	7,982
Drainage & Roadside Maintenance	3,580	2,514	1,066	4,108
Support & Administration	5,042	2,942	2,114	4,501
<b>BOM Total</b>	<b>45,667</b>	<b>41,968</b>	<b>3,714</b>	<b>48,880</b>
<b>Bureau of Transportation Engineering &amp; Development</b>				
Capital Improvement Division	3,892	3,322	570	3,651
Development Services	3,577	2,949	628	3,850
Engineering Services	2,386	2,958	(571)	3,772
<b>BTED Total</b>	<b>9,856</b>	<b>9,228</b>	<b>627</b>	<b>11,273</b>
<b>Bureau of Transportation System Management</b>				
Parking Enforcement	3,804	3,189	615	3,654
Parking Operations	1,816	1,463	353	2,476
Traffic Operations	1,899	1,605	294	5,193
Information Technology Service	4,700	4,027	673	4,772
Transportation Options	1,597	1,644	(47)	2,157
Traffic Signals & Street Lighting	9,321	9,715	(86)	9,370
<b>BTSM Total</b>	<b>23,137</b>	<b>21,644</b>	<b>1,802</b>	<b>27,621</b>
<b>Office of the Director</b>				
Transportation Planning	1,379	1,404	(26)	1,377
Resources	2,030	1,978	52	1,552
<b>OTD Total</b>	<b>3,408</b>	<b>3,382</b>	<b>26</b>	<b>2,929</b>
<b>Transportation Fund-Wide</b>	<b>18,069</b>	<b>10,505</b>	<b>7,255</b>	<b>22,532</b>
<b>Transportation Total Operating</b>	<b>100,137</b>	<b>86,727</b>	<b>13,425</b>	<b>111,235</b>
<b>Capital Expenditures by Program</b>				
Centers and Main Streets	1,928	1,476	452	7,399
Freight and Industrial Area	8,796	6,556	2,240	6,129
Local Street Development	3,725	2,490	1,527	4,181
Neighborhood Livability	617	343	(27)	6,150
Preservation and Rehabilitation	4,288	2,002	2,282	5,010
Safety and Congestion Management	889	1,430	(541)	130
Special Projects	24,123	11,235	12,889	30,887
<b>Total Office of Transportation CIP</b>	<b>44,366</b>	<b>25,531</b>	<b>18,835</b>	<b>59,886</b>
<b>TOTAL EXPENDITURES</b>	<b>144,503</b>	<b>112,258</b>	<b>32,246</b>	<b>171,121</b>

## Balance Sheet

Period Ended June 30, 2004 (Thru API3-3)

<b>ASSETS</b>	<b>Total</b>	<b>Operating</b>	<b>Reserves</b>
<b>Current Assets:</b>			
Cash and Investments	\$ 6,060,326	\$ 5,377,653	\$ 682,673
Receivables	\$ 14,095,406	\$ 14,093,738	\$ 1,668
Due From Other Funds	\$ 6,442,667	\$ 6,442,667	\$ -
Value of Inventories	\$ 1,665,404	\$ 1,665,404	\$ -
<b>Total Current Assets:</b>	<b>\$ 28,263,803</b>	<b>\$ 27,579,462</b>	<b>\$ 684,341</b>
<b>Fixed Assets:</b>			
	Replacement value of assets reported in body of document.		
<b>TOTAL ASSETS:</b>	<b>\$ 28,263,803</b>	<b>\$ 27,579,462</b>	<b>\$ 684,341</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b> (payable from unrestricted assets):			
Warrants and Accounts Payable	\$ 3,117,572	\$ 3,117,572	\$ -
Unrealized Revenue	\$ 838,303	\$ 838,303	\$ -
Retainage Payable	\$ 309,713	\$ 309,713	\$ -
<b>Total Current Liabilities:</b>	<b>\$ 4,265,588</b>	<b>\$ 4,265,588</b>	<b>\$ -</b>
<b>Long Term Liabilities:</b>			
Total Long-Term Liabilities	\$ -	\$ -	\$ -
<b>Total Liabilities:</b>	<b>\$ 4,265,588</b>	<b>\$ 4,265,588</b>	<b>\$ -</b>
<b>EQUITY</b>			
Petty Cash	\$ 9,000	\$ 9,000	\$ -
Inventory	\$ 1,665,404	\$ 1,665,404	\$ -
Unreserved	\$ 22,323,811	\$ 21,639,469	\$ 684,341
<b>Total Equity</b>	<b>\$ 23,998,215</b>	<b>\$ 23,313,874</b>	<b>\$ 684,341</b>
<b>TOTAL LIABILITIES AND EQUITY:</b>	<b>\$ 28,263,803</b>	<b>\$ 27,579,462</b>	<b>\$ 684,341</b>

Transportation manages a considerable asset base, particularly in the area of fixed assets. Land holdings, which appreciate in value, are principally rights-of-way, and thus are not typically readily convertible to cash.

Improvements are principally pavement, which depreciates over 20 to 50 year cycles. Without constant maintenance, the value of the assets will decline over time.

Liabilities consist principally of outstanding warrants and accounts payable. Outstanding debt is low both with respect to the value of assets and to cash flow.

Available liquid assets in the form of cash and fund equity are more than sufficient to cover outstanding liabilities. On balance, net assets are positive and are exposed only to the risk of currently forecast insufficient maintenance funding. Transportation will propose alternatives to Council to mitigate that risk.