



# Governor's Transportation Vision Panel

## Transportation Finance Subcommittee

### MEETING MINUTES, February 3rd

#### SUBCOMMITTEE KICKOFF MEETING MINUTES

**February 3<sup>rd</sup>, 2015**  
**9:00 am – 12:00 pm**

**ODOT Headquarters, Room  
240**

355 Capitol St. NE,  
Salem OR 97301

**Subcommittee Chair:**

John Lattimer

**Subcommittee Members:**

Rep. Cliff Bentz

Rollie Wisbrock

Susan Morgan

Tom Potowsky

**Panel Co-Chairs:**

Gregg Kantor

Larry Campbell

**Panel Sponsor:**

Karmen Fore

**Facilitator:**

Cheralynn Abbott

**Resources and Support:**

Travis Brouwer

Sam Haffner

Craig Honeyman (LOC)

Emily Ackland (AOC)

**Additional Attendees:**

Andy Cotugno

Erin Wilson

Bill Holmstrom

#### Topic 1: Introductions and Overview of GTVP Charge

Karmen offered a review of the Panel's purpose and role of the Transportation Finance Subcommittee

- Panel's purpose is long term; what is the vision for the transportation system in 30 years and what can we do in the next 4 years to lay the groundwork for that vision?
- While the legislature is in session and a transportation package is an identified priority, the Panel needs to continue with its long-range focus so that we are prepared to continue necessary work after the Legislative Session
- The Panel is charged with looking at the Transportation system as a whole. This includes all modes, but should consider also how we can leverage funding and outcomes on a local, state, and federal level
- Importance of Public Private Partnerships has been identified, but it cannot replace a robust funding source
- The Panel should not seek to replicate the Oregon Transportation Plan, but provide a series of high level recommendations. If a deeper study is needed, this can be one of the Panel's recommendations.

**Questions and Comments:**

- Do we fully understand the size of the transportation funding problem and its impact on the economy. Larry noted that the Roadways and Bridges subcommittee will be tasked with defining the size of the problem. He added that this subcommittee will consider the finance needs of all modes.
- How can the committees avoid becoming siloed. Larry noted the importance of the Oversight Committee to manage these siloes before they develop.
- Susan noted that as work develops we will recognize that revenue streams don't match up with modes. Further it is important to recognize the point at which these modes connect with each other (e.g., freight moving from one mode to another).
- Larry noted that it is important for the Panel to look at what has and has not been done since the 2006 OTP  
*(note: The 2014 State of the System Report provides some background on this question. Travis Brouwer is also preparing a document on this subject for review by the Panel.)*
- Should the group consider how funding can be streamlined to create better efficiency across jurisdictions. Travis noted that a transportation investment package could allow ODOT to provide local jurisdictions with state highway funds while keeping federal funds with its burdensome requirements for major projects. The current lack of state highway funds precludes this exchange.

Travis asked the committee to consider these objectives:

- Focus on all modes of transportation
- Consider how to increase the flexibility on the use of transportation funds
  - Federal funding come with regulatory challenges that are difficult for local governments to manage, yet they do not have the same constitutional restrictions as state funds.
- Provide for equitable distribution of funds across communities and local governments
- Funding sources need to be sustainable, multimodal, and be aimed at operations and maintenance, not just capital costs.

**Topic 2: Overview and Guidelines for GTVP and Transportation Finance Committee Work**

Cheralynn Abbot gave a review of the GTVP and the Transportation Finance work plan, objectives, and deliverables. For a copy of this presentation, [click here](#).

**Topic 3: Roundtable Discussion**

**Discussion on committee presenters and resources:**

- Inviting Mac Lynde, ODOT Active Transportation Program Manager, would be a useful resource
- However, subject matter experts supporting this Panel and Committee cannot be limited to ODOT
- Interests of stakeholders need to be involved, including the OTF and the ACTs
- Group needs to get input from cities across the state, which face serious transportation challenges
- We can involve the modal advisory committees across the state. We do not need to reinvent this wealth of knowledge but rather tap into it.
- Andy Cotugno suggested to committee members that approaching the MPOs can offer deep knowledge of urban and multi-modal needs. Their task is distinct from the ACTs.

**General Discussion and Comments:**

- We have convoluted mechanisms for funding transportation projects – should we challenge this process?
- Farm to Market Roads are critical to rural counties – need to balance the needs of all parts of Oregon
- Would like to understand the funding and distribution levels and the need to understand the various sources of funding
  - *[note: some of these questions covered in Travis's presentation]*
- There is a politically charged environment contributing to the financing of transportation in OR and around the country
- Middle class doesn't have the funds to pay increased taxes but we also have an aging population in OR to consider.
- Need to understand the risks of underfunding the transportation system
- Trends are important to consider
- How do we connect and balance the funding needs of all modes?
- How does transportation contribute to economic vitality
- Vision needs to be realistic – transportation cycles are long
  - Short term to-dos for 4 – 5 years are critical
  - Build/implement in 10 years
  - Aspire to be in 30 years
- Tax the pump isn't working anymore and is not sustainable long term - What would be an effective tax to replace that?  
Suggested goals for transportation funding – efficient, effective and equitable
  - Lower income levels spend higher % of the income on transportation
  - What about state property tax? Existing constraints from Measure 5.
  - A road user charge (VMT Tax)?
  - Could bicycles be included in a road user charge program?
  - Impact of a sales tax?
  - Also important for committee to identify what types of tax *don't* make sense
- ODOT, Counties, Cities – varying needs, not necessarily dealt with in the current funding model
- Where is the shortfall getting worse?
- How sustainable is the use of the general fund for the other modes?
- Should everything in the system continue to be maintained?
- A lot of our revenue generating sources are not adjusted for inflation
- DMV fees in Oregon are the lowest in the nation

**Topic 4: Transportation Funding Overview, Presented by Travis Brouwer**

Travis Presented an overview of Transportation Funding in the State of Oregon. For a copy of this presentation, [click here](#).

**Questions and Discussion:**

*Federal funds* limited to capital costs and not covering maintenance:

- Are the strings attached to federal funds for local jurisdictions state or federal regulations?
  - They are primarily federal. They include procurement rules, environmental regulations, and design standards. State rules may include speed limits, stops signs, etc., but reflect national standards (AASHTO)

- Can you take advantage of federal dollars when line is blurred between maintenance and capital projects?
  - Yes, but you are better off using state funds for maintenance that doesn't require contracting

*State Highway Fund*; constitutionally restricted to use on roads; currently dedicated to debt service and maintenance

- How do we manage the growing inequity between weight-mile tax on trucks and the gas tax?
- Fees on studded tires? No, but it has been discussed by the legislature.
- How do we capture and quantify economic benefits of system? Shifting labor needs and shifting values of freight

**Topic 4b: Transportation Funding Overview Continued, Cities and Counties, with Craig Honeyman and Emily Ackland**

**Questions and Discussion:**

- Craig is in the process of preparing an overview of local funding sources for this Committee and for Roadways & Bridges
- Needs of cities are multimodal but current priority is in funds for maintenance of the existing system
- How do you build safety, equity, economic development measurements into assessment of need for cities?
  - Most cities are looking primarily at preserving what they have. Larger cities will look at enhancements but is balanced with maintenance needs
- How can we be competitive and not lose ground if we are just maintaining what we have? We still need to have a long term strategy to position ourselves with a competitive advantage

**Topic 5: Follow up and Next Steps**

**Comments/Questions that should be referred to other Committees:**

- What happens when you can't get stuff out of ports – what is the impact economically, etc.? – Get input from AMFR
- Do we understand the future capacity needs of all the modes – suggested action for the other committees
- Need input from ACTS, MPOs, Modal Groups – on what exactly? If it's related to modal transportation needs, the other committees should be/will be doing this
- Economics of Short line vs. Truck – need input from other groups

**Potential Actions for next meeting:**

- OTP – What's changed since 2006? What have we already achieved? Needs to stay focused on Financial Landscape
- Learn more about local programs – presentation from Mac Lynde and Emily Ackland (AOC)? (*February 24<sup>th</sup> meeting*)

**Potential Future Actions:**

- Get input about how other states are dealing with similar funding challenges. (*March 17<sup>th</sup> meeting?*)
- Highway Cost Allocation Study – Would this be useful to review? – Who is the beneficiary of the Hwy system? We don't capture the value.
- Where else do we get funding? Anything that wasn't included in Travis's presentation?
- Revenue Sources Discussion- Paul Warner? Tom Potowski? (*March 17<sup>th</sup> meeting?*)
- Get input from other subcommittees on needs and priorities identified. What is appropriate timing on this? They need time to do their work before forwarding to Transportation Finance.

**Action items:**

Item:	Person(s) responsible:	Deadline:
Subcommittee members review meeting minutes and be prepared to share questions or changes	Committee members	Before next meeting
Coordinate with chair on agenda and content for next meeting	Chair and support staff	Before next meeting
Prepare overview of what has/hasn't been done since the 2006 OTP	Travis Brouwer, Jerri Bohard	ASAP

**Additional Readings:**

Item:	Person(s) responsible:
Rollie Wisbrock identified this article as important for subcommittee review: <a href="http://www.commondreams.org/views/2015/02/09/new-evidence-half-america-broke">http://www.commondreams.org/views/2015/02/09/new-evidence-half-america-broke</a>	Committee members