

Parking Master Plan Operating Assumptions

January 2015

Maintenance Plan

- 1 Priority is to protect assets - improve and maintain good lots immediately, maintain excellent lots. Maintenance plan is to seal coat lots every 7 years, seal and replace 10% of the lot at 21 years, and grind/overlay with 10% replacement at 42 years.
- 2 Poor and fair lots will require restoration - strategy is to delay restoration and maximize current investment (delay restoration). Current plan may be overly aggressive in scheduling them too early. Will need to analyze lots every other year to determine when to restore.
- 3
Annual repair/patching program is part of operating budget and needs active DPS/FDCB management. Annual maintenance is defined as items costing less than \$5,000 per lot. Any lots requiring more than \$5,000 in repairs should have condition reexamined.
- 4 Capital Improvement Plan updated every two years including updating of lot condition and schedule of work.

Financial Pro Formas - Operating and RRR

- 1 Expenditures inflated at 3% annually from current budget except salaries for FY16 and FY17 set by current CBA.
- 2 Permit revenues increased by 3% annually except FY16 when 5.4% is needed to cover salaries per CBA. Other revenues increase by 2.5%.
- 3 Market Rate on Debt (4.5% 30 yr/ 4.0% 20 yr) but with a 1.4% university subsidy on the rate to address PTAC recommendation that the University repay \$1.4 m to Parking for previous payments on LCTC debt.
- 4 University to Fund costs of storm water detention vaults estimated at \$1.4m.
- 5 Operating Reserve set at 25% of income - then funds flow to RRR
- 6 RRR reserve goal is \$300k
- 7 Budget Cuts totaling \$102.5k in FY16 and FY17 - alternatively would require an additional 11% increase in permits
- 8 Does not include additional funds for vehicle replacement or new pay boxes (T2 contract to be rebid with pay boxes and license plate readers included - after analysis of what is needed)
Includes T2 contract additions, equipment replacement every 7 years, and vehicle replacement every five years

Risks

- 1 Lot condition is from a visual review which will affect construction estimates mainly on good lots since they may need more than 10% renewal
- 2 Construction costs for C-lots and LCTC may vary as more is known when design is done.
- 3 Construction costs vary more than other market basket goods and the economy has become much better so a 3% cost inflator may be low
- 4 Operating costs increases such as salaries in FY16 may exceed 3% assumption which may require higher rate increases
- 5 University financing requires sufficient cash flow. Risk is low with proper management of university finances.

Parking Financial FY 15 Projection to Actual - Operations
(restated to remove Viking bus pass)

		Projected	Actual	Variance	Comments
BEG. CASH BAL. - OPERATIONS		\$500,000	\$618,897	\$118,897	
Operating Revenues	<i>AECI ***</i>	-	-		
Parking permits		\$1,111,147	\$1,102,496	(\$8,651)	
Parking meters and pay box stations	2.5%	224,559	264,407	39,848	20% increase in paybox revenue
Parking fines	2.5%	307,996	353,625	45,629	Increased collections, Decreased "automatic" appeals
Other revenues	2.5%	53,701	52,992	(709)	
Interest income	2.5%	3,424	6,403	2,980	
Total operating revenues		<u>\$1,700,827</u>	<u>\$1,779,923</u>	<u>\$79,097</u>	
Operating Expenses	<i>AECI ***</i>				
Salaries and benefits ****	3.0%	909,927	850,971	58,956	Fiscal Specialist resigned early in year; Parking guide (Elich) was projected at 100% but actually paid 50% from FM
City contracts		-	-	-	
Contract services	3.0%	96,562	115,648	(19,086)	Added additional functionality to T-2 system
Repairs and maintenance	3.0%	14,056	55,342	(41,286)	Lot and vehicle maintenance under-projected
Printing and supplies	3.0%	36,954	47,263	(10,309)	Includes \$3,745 in gravel (miscoded - should be in repairs)
Telephone service	3.0%	13,993	15,759	(1,766)	
Bank fees	3.0%	23,696	27,431	(3,735)	
Administrative Assessment Fee	4.5%	64,291	77,916	(13,625)	
Other expenses	3.0%	73,732	38,099	35,633	Projection includes items that should have been projected in repairs/supplies
Operating Expenses		<u>\$ 1,233,211</u>	<u>\$ 1,228,429</u>	<u>\$ 4,782</u>	
Total Revenue - Expenses		<u>\$ 467,616</u>	<u>\$ 551,494</u>	<u>\$ 74,315</u>	
Transfer to RRR Fund		\$659,313	\$591,368	(\$67,945)	
END CASH BAL. - OPERATIONS*****		<u>\$308,303</u>	<u>\$579,023</u>	<u>\$261,157</u>	

Note: the above Parking expenses do not include \$29,802 for Bus Pass expense, which was offset by revenue recorded in the Alternative Transportation fund.

Parking Financial FY 15 Projection to Actual - RRR

	Projected	Actual	Variance	Comments
BEG. FUND BAL .	\$ 578,298	\$ 463,867	\$ (114,431)	
A. Transfer from Operations	659,313	591,368	(67,945)	
Capital& Renewal and Replacement Schedules				
South Campus Gravel Lots 1,2 &3 Paving (P&I)				
South Campus Gravel Lots 4,5 &6 Paving (P&I)				
Lincoln Creek Gravel Lot Paving (P&I)				
Fair/poor lots funded by 20 year debt				
2023 Cost "bubble" financed by 20 year debt				
2036-2039 Cost "bubble" financed by 20 year debt				
Total Debt Service	-	-		
Renewal and Replacement - Annual Outlays	346,990	109,369	237,621	PW contract incomplete as of 6/30/15 - remaining costs will be recorded in FY 16
B. Total R & R - Outlays	346,990	109,369	237,621	
R & R only Net Income (A - B)	<u>\$ 312,323</u>	<u>\$ 481,999</u>	<u>\$ 169,676</u>	
END. FUND BAL	<u>\$ 890,621</u>	<u>\$ 945,866</u>	<u>\$ 55,245</u>	

**Parking and Transportation Advisory Committee
 Finance Sub-Working Group
 Parking Financial Pro-forma - Operations
 FY 2016-2045 Projections , 2012 - 2015 Actuals**

NOTE: FY 2015
 is Fund 43000
 only

		Actuals			
		2012	2013	2014	2015
BEG. CASH BAL. - OPERATIONS		\$1,137,532	\$997,664	\$500,000	\$618,897
Operating Revenues	AECI ***				Permit increases %
Parking permits		1,076,766	1,067,280	1,111,147	1,102,496
Parking meters and pay box stations	2.5%	208,697	217,868	224,559	264,407
Parking fines	2.5%	314,539	267,194	307,996	353,625
Other revenues	2.5%	57,786	51,385	53,701	52,992
Interest income	2.5%	3,809	3,135	3,340	6,403
Total operating revenues		\$1,661,597	\$1,606,862	\$1,700,743	\$1,779,923
Operating Expenses	AECI ***				Cuts*#
Salaries and benefits ****	3.0%	1,067,177	1,078,490	977,729	850,785
Viking Express bus pass		56,275	68,762	1,781	29,802
City contracts		22,875	23,965	5,875	-
Contract services	3.0%	83,324	73,496	124,258	115,648
Repairs and maintenance	3.0%	122,284	136,976	13,647	55,342
Printing and supplies	3.0%	43,727	44,157	35,878	47,263
Telephone service	3.0%	9,949	9,992	13,585	15,759
Bank fees	3.0%	22,012	20,623	23,006	27,431
Administrative Assessment Fee *	4.5%	70,656	67,491	77,872	77,916
Other expenses	3.0%	71,901	68,321	71,584	38,099
Operating Expenses		\$ 1,570,180	\$ 1,592,273	\$ 1,345,215	\$ 1,258,045
OTHER:					
LCTC P & I, bond cost amort		(197,369)	(193,105)	-	-
Paybox lease P & I		(39,059)	(39,058)	(38,690)	-
Capital Grant revenue		36,385	122,797	-	-
Adjust for changes in receivables/payables*****		(31,242)	(100,328)	90,064	n/a
Total Revenue - Expenses/Adjustments		\$ (139,868)	\$ (195,105)	\$ 406,902	\$ 521,878
Transfer to RRR Fund			\$302,559	\$406,902	\$591,368
END CASH BAL. - OPERATIONS*****		\$997,664	\$500,000	\$500,000	\$549,407