

Parking & Transportation Advisory Committee Meeting

Tuesday February 10, 2015

9:00 am, OM 340

MEETING NOTES

Present: Rick Benner, Bernie Housen, Karen Izumoto, Chris Loar, Doug MacLean, April Markiewicz, Kunle Ojikutu, Darin Rasmussen, Stephanie Scott, Brian Sullivan, and Kurt Willis. *Ex officio:* Julia Gassman, and Carol Berry.

1. Approval of January 29, 2015 Meeting Notes

Rasmussen **Moved** and Willis **Seconded** the Motion to approve the January 29, 2015 Meeting Notes as amended. Changes were as follows:

- Page 2, Contractor Permits: replace second sentence with “*Issuing contractor parking permits for C lots and residential lots is still under consideration. Benner and Rasmussen will discuss this further and bring their recommendation back to the PTAC.*”
- Page 3, fourth paragraph, rephrase second sentence to read “*Willis stated it would not come from the Residential funding source.*”

Motion approved unanimously.

2. Update on Parking Fines: Rates and the 2016-17 Rate Increase Proposal

Darin Rasmussen handed out a spreadsheet (attached) with the current rates charged for parking violations, rates of peer institutions, proposed rate increases for 2016-17, and the city of Bellingham rates. He noted that the city had been charging \$10.00 per fine, but found the cost of issuing each ticket was \$23. Effective January 1, 2015, the city increased its rates to \$20 and will be increasing them again to \$23 per fine starting in 2016. Rasmussen stated that fines might be a subject of negotiation with the unions and the proposed rate increases will be presented to them.

3. Parking Operating and Maintenance Financial Pro Formas

Sullivan went through the Parking Master Plan Operating Assumptions January 2015 for the Financial Pro Formas – Operating and RRR (Renewal Replacement Reserve). An inflation rate of 3% was used in the calculations and linked to projected increases in salaries except for 2016 and 2017 that are already set by current collective bargaining agreements (CBAs) at 5.4%. Permit revenues would increase at the same 3% rate, (linked to projected salary increases) to keep pace with expenses, except in 2016 and 2017 that are already set in CBAs as noted.

The university will be refunding Parking \$1,400,000 (\$1.4 M) for previous payments it made on the Lincoln Creek Transportation Center (LCTC) debt. The university will also be paying

\$1,2 M for the stormwater detention vaults to be installed in the C lots as part of the paving projects.

Parking's operating reserve fund will be maintained at 25% of income and anything above that will go into the Renewal Replacement Reserve. The RRR goal is \$300,000 to fund the parking lot maintenance plan. This plan does not include additional funds for replacing parking enforcement vehicles nor pay boxes. During the T2 contract rebidding process; however, pay boxes and license plate readers will be included and it is anticipated that renegotiated costs will be lower.

The projected revenues and expenses on the financial pro formas will be revisited every two years and updated with current revenues and expenses, as well as updated information on lot conditions.

Sullivan reported that Parking Services has also conducted internal reviews of its operations for cost savings. So far it has reviewed its enforcement costs, online services, and increased efficiencies with the implementation of T2. It is currently looking at its customer service and will be evaluating office operations in the near future. Projected savings to Parking Services for 2016-17 are \$102,000.

The first spreadsheet in the financial packet prorates finances based on the scenario that none of the PTAC recommendations were implemented and no increase in revenue to Parking Services. The deficit in 2014 would have been \$123,000 and in ten years it would have increased tenfold to \$1,281,704.

The second spreadsheet shows actuals for 2012 through 2014 that include the PTAC recommendations resulting in a net cash balance of \$500,000 and \$406,902 in the RRR fund at the end of 2014. A projected permit rate increase of 3% starting in 2017 would track comparably with an assumed 3% inflation rate, resulting in a balanced revenue and expenses budget. A graph showing the first spreadsheet's pro forma financial projections compared to the second's is on the next page. Sullivan pointed out that this proposed budget provides the best scenario of the many projections that were investigated. It uses modest annual increases in fines and permit rates to fund Parking Services operations and enforcement, as well as a parking lot maintenance plan to keep all lots in Good condition.

The university will make use of its new ability to use debt financing to help cover the initial costs to pave the south gravel lots. The added benefit is that with repayments spread over 20 years, future car drivers will be paying for the lots they will be using as well. The use of debt financing will also keep annual expenses down. Paving will begin in the summer of 2016, with \$2.4 M from debt financing and \$1.1 M from cash.

Sullivan stated that actual permit rate increases are subject to bargaining by the classified staff and faculty unions, but PTAC members should consider these plans and pro formas, in terms of its stated goal to ensure that Parking Services "*...have a sustainable source of revenue to meet its financial obligations, and provide sufficient reserve funds to properly maintain lots, replace equipment and supplies, and support future identified access needs.*" (PTAC February 20, 2013 Recommendations).

A question was asked whether the paving of the gravel lots would be a major or minor capital budget expense. Sullivan stated it would be a minor capital expense. The debt financing would also be obtained through a competitive process to get the best rate rather than going through the state, which has more restrictions.

A question was asked about stormwater treatment expenses. Sullivan reiterated that the university will be paying those expenses. Scott asked how much would the university be paying in total. Sullivan replied that paying down the debt service by \$1.4 M plus the \$1.2 M for the stormwater detention vaults would total \$2.7 M. Buying down the debt service will result in an additional cost savings in interest payments of \$1.25 M.

Scott asked whether any maintenance will be done on the poor lots before they are scheduled to be replaced starting in 2019. Sullivan stated that yes, general maintenance as needed would be done, such as patching and filling potholes. Gravel lots will still be graded and holes filled until they are paved starting in summer of 2016. The intent is to keep them maintained enough to keep them safe for users and limit stormwater runoff issues while maximizing usage until their scheduled maintenance.

Scott asked where the 5.4% salary increase value came from in Sullivan's financial pro formas. He stated that the current CBAs call for a 3% salary increase in 2015-16, followed by a 1.8% increase in 2016-17. In addition, a recent salary survey identified 25% salary realignment for some positions equating to a 5.4% increase. The state still has to approve those contracted salary increases, but for planning purposes he used the 5.4% as a "best guess". Sullivan stated that the parking permit rate increases in the pro formas are capped at the projected salary rate increases for each constituent group.

Sullivan asked that the PTAC review the presentations and proposed plans, and recommend that these be implemented.

Markiewicz stated that the next meeting or two would be dedicated to discussing these plans, asking questions, and hopefully having recommendations for submission to Vice President Van Den Hul by mid-March.

Meeting adjourned at 9:48 am.

2016-2017 Parking Fine Analysis

* NON-UNIFORM INCREASES

** Note: City of Bellingham fines increased from \$10 to \$20 on 1/1/2015. It costs COB \$23 (a loss of \$3 per citation) to write one.

Current Violation	Proposed Combined Violations	FY14 Quantity	FY15 Fine Amt.	Total Potential Revenue	FY16 (\$3 incr.)	Potential Additional Revenue	FY17 (\$2 incr.)	Potential Additional Revenue	2015 Peer Avg. Amt.
Motorcycle w/o permit		31	10	310	*15	155	*20	155	18
Improper Display		59	15	885	*20	295	*25	295	14
Occupying more than one space		134	15	2,010	*20	670	*25	670	26
No Valid Permit		8,410	30	252,300	33	25,230	35	16,820	37
Overtime at Load Zone	Overtime at Load Zone, Meter, OB/VV/AL FY16 \$33, FY17 \$35	456	30	13,680	33	1,368	35	912	30
Overtime at meter		624	30	18,720	33	1,872	35	1,248	21
Overtime use OB/VV/AL		6	30	180	33	18	35	12	25
Unauthorized Permit Transfer		0	30	0	33	0	35	0	62
Blocking Traffic		0	30	0	33	0	35	0	51
Driveway or walkway violation		4	30	120	33	12	35	8	41
Grass or landscaped area		1	30	30	33	3	35	2	29
No Parking Zone		237	30	7,110	33	711	35	474	37
Prohibited area		87	30	2,610	33	261	35	174	26
Fire Hydrant or Fire Lane		20	60	1,200	63	60	65	40	81
Reserved Area		127	60	7,620	63	381	65	254	69
Expired Tabs-1st		1	101	101	101	0	101	0	0
Expired Tabs-2nd		4	194	776	194	0	194	0	0
Altered/Forged Daily Permit Displayed	Altered/Forged Permit Displayed FY16-Fine \$150, FY17-\$155	17	125	2,125	*150	425	*155	85	155
Altered/Forged Quarter/ Academic/ Annual Permit		5	250	1,250	*150	0	*155	25	155
Disabled Space		27	250	6,750	*300	1,350	*305	135	181
Lost/ Stolen Permit Displayed		0	250	0	250	0	*255	0	238
Total Citations		10,250							
Total Potential Revenue				\$317,777		\$32,811		\$21,309	