



REPORT

LEGISLATIVE REFERENCE BUREAU

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26. DPW—Parking Fund, 2015

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26. DPW—Parking Fund

\$27,944,350

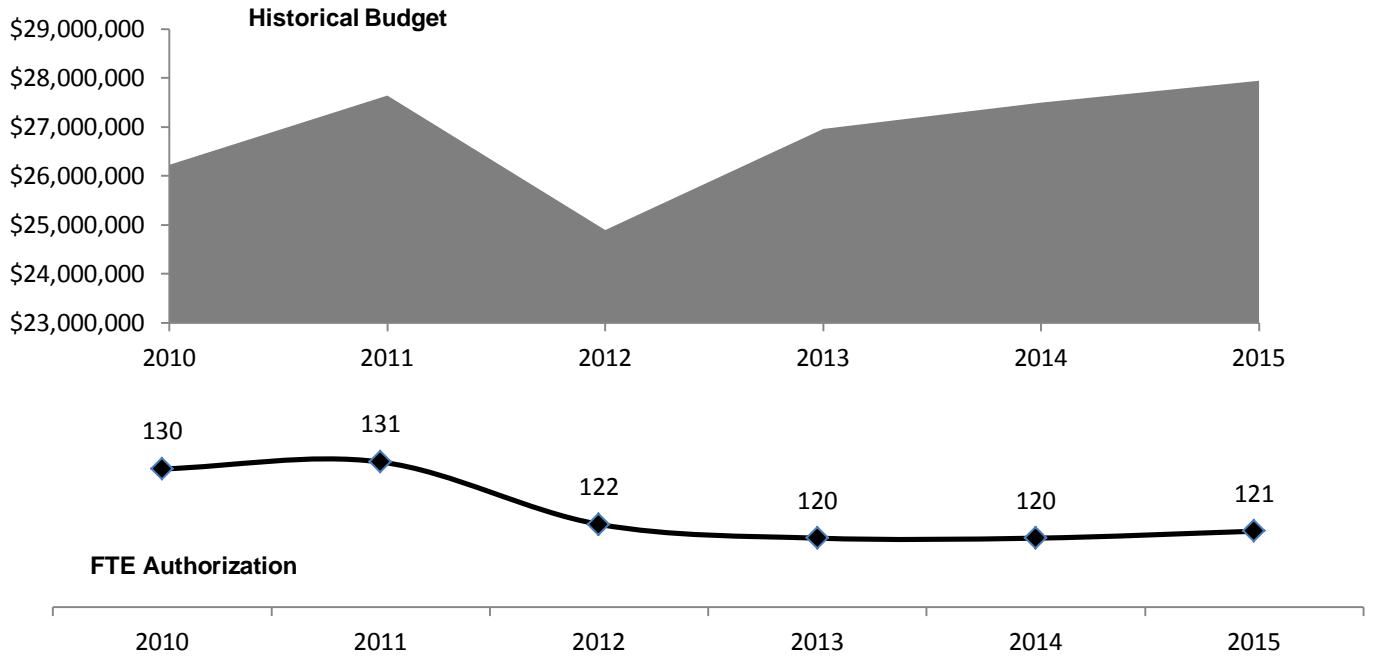
Proposed Department Budget

\$446,874

Nominal Change in Proposed Department Budget

1.63%

Percent Change in Proposed Department Budget



0.8%

Percent Change in FTE 2014 to 2015 Proposed

1

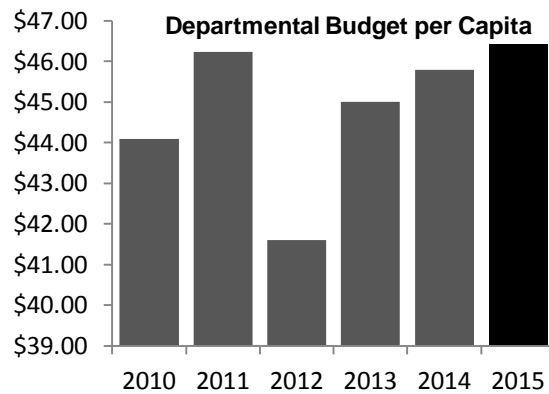
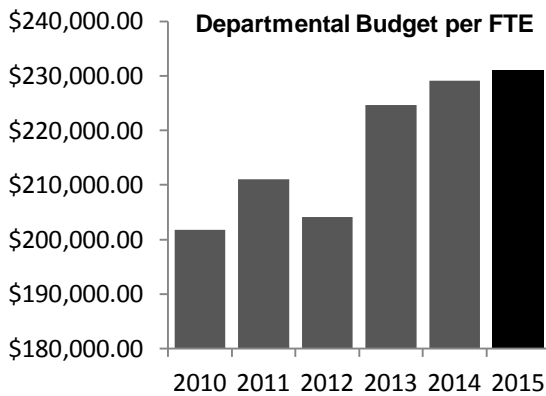
Nominal Change in FTE 2014 to 2015 Proposed

5

Vacant Positions

64%

% Eligible for Retirement within 10 years



\$25,000

The amount budgeted in 2013 for the “Smart Pricing” Parking Meter Study, which was postponed in 2014 and is now not likely to be completed.

\$17 million

The amount of the 2015 projected Transfer to General Fund, down \$425,000 (2.5%) from 2014.

\$122,655

Salary & estimated fringe benefits for new Parking Fund Manager, down from the \$137,935 in personnel costs for previous Parking Director.

\$19.2 million

The annual average amount of “earnings” from 2009 to 2013, before Funds Transfer & Capital Improvements.

\$175,000

The amount of the 2015 proposed payment to the Bradley Center, Year 2 of a 5-year, \$875,000 commitment.

\$20.4 million

The annual average amount transferred to the City’s General Fund from 2009 to 2013.

\$1.6 million

The amount of the 2015 projected PILOT payment to the City, up \$3,000 (0.2%) from 2014.

\$20.7 million

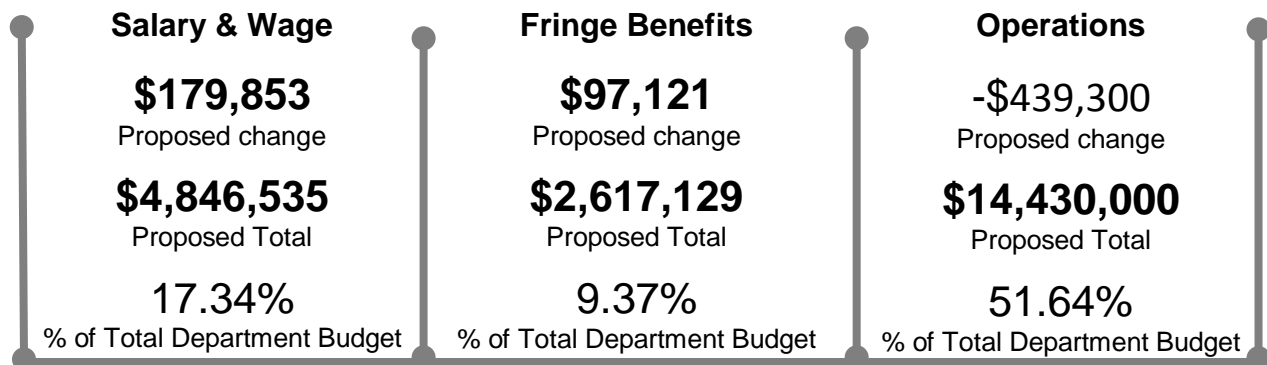
The amount of citation revenue projected for 2015, which is 48% of Total Revenues.

\$3.3 million

The amount of the 2015 projected Debt Service, up \$500,000 (18%) from 2014.

\$42.9 million

The amount of total revenues projected for 2015, continuing the recent downward trend; down 10% since 2010.



I. INITIATIVES AND PROGRAMS.

1. Pay-by Phone.

DPW-Parking is in the midst of evaluating RFP submissions from vendors to make it possible to make parking meter payments remotely from a phone, and expects to rollout a remote-payment system by late 2014 or early 2015.

2. Staffing at all Parking Structures.

On September 23, 2014, the Common Council passed an ordinance (File Number 140785) and adopted a resolution (File Number 140549) requiring that all City parking structures be staffed by at least one human operator whenever the structure is in operation. City parking structures are operated under a management contract which stipulates Parking pay operating expenses. Parking estimates this staffing requirement will cost the department between \$200,000 and \$250,000 annually.

3. BMO Harris Bradley Center Payment.

The 2015 Proposed includes a \$175,000 payment to the BMO Harris Bradley Center to fulfill a promise made by the Mayor to contribute non-tax-levy funds to the Center's Maintenance and Facilities Fund for services rendered to maximize parking revenues at the City's 4th & Highland parking garage. This is year 2 of a 5-year, \$875,000 commitment, \$175,000 paid annually.

2. Virtual Night Parking Permit.

Then rollout of Parking's virtual night parking permit program has been successful.

Whether purchased on-line, at police station front desks or from Automatic Payment kiosks, residents will receive confirmation numbers, but no physical permits will be issued. Instead, parking checkers will use the department's newly-installed license plate recognition system (discussed below) to "read" vehicle license plates to determine whether valid night parking permits have been issued.

Besides eliminating the problem of lost or stolen stickers, virtual permits provide the following benefits:

- Far fewer tickets are voided for lost, stolen or overlooked window permits.
- Parking checkers are more efficient and no longer spend time searching for window permits or scraping away snow to find permits.
- Online permit sales have doubled.
- Purchases of "annual" permits are up as fears of loss or stolen permits fade.
- Kiosk malfunction and breakdown are reduced as permit printing is no longer necessary.

4. License Plate Recognition Data Policy.

Parking's License Plate Recognition (LPR) system, the ability of parking checkers to confirm night parking permits, identify stolen vehicles and check on outstanding parking violations by simply driving passed parked vehicles, is the technology that makes virtually overnight and day street parking permits possible.

While no law enforcement agencies have yet requested information from Parking's LPR database, Parking has a written policy governing LPR data access, which is currently being reviewed by the City Attorney's Office.

LPR data, which consists solely of "pictures" of license plates and the date, time and location of the parked vehicle, is stored on a dedicated server which is not accessible over the Internet. Parking checkers are privy only to images of licenses plates collected by them during their shift, and these images are not linked to any ownership information. Only 7 people have access to Parking's LPR database and each must enter an ID number to gain access. Once inside the database, a record is kept of when the database was entered and exited, and what images were viewed.

Parking's intention is to retain LPR information for 7 years per state law, and while it would prefer to purge data earlier, storage is not expected to be a problem. Parking has been assured its LPR database's 2 terabyte drive will hold 5-6 years volume of license plate images before reaching capacity,

5. Parking Meter Rate Study.

A \$25,000 "smart pricing" parking meter rate study to be conducted by an outside vendor included in the Parking Fund's 2013 Budget and postponed in 2014, is unlikely to be performed as originally envisioned. The study was to determine the impact and feasibility of using "smart" parking meter pricing – varying meter rates throughout the day based parking demand – to maximize parking revenues and use meter rates to foster commerce and entertainment in neighborhoods and stimulate business in the meter zone. Parking suggests a more practical approach, rather than conducting a full, labor-intensive study, might be to establish different meter rates for day and nighttime parking, or extending meter rate parking later into the evening in certain areas where demand is generally known to vary by time of day, and study the results.

6. Cash Reserves and Liquidity.

Table 26.1. Changes in Cash Reserves and Liquidity.

Year	Net Fund Change	Transfers to General Fund	Cash Reserves at Yearend	Current Ratio
2009	\$17,621,768	\$18,132,150	\$21,019,000	6.2
2010	\$21,439,108	\$22,287,000	\$21,004,000	5.8
2011	\$19,055,828	\$22,787,000	\$20,209,000	5.4
2012	\$18,579,702	\$20,410,157	\$17,125,000	3.7
2013	\$19,336,400	\$18,550,000	\$18,095,000	3.3
2014	\$15,526,424 *	\$17,425,000	\$16,196,424 *	3.0 *
2015	\$14,952,250 *	\$17,000,000	\$14,148,674 *	2.6 *

* Estimated by Legislative Reference Bureau

The Parking Fund continues to draw down its cash reserves to a more modest level as it continues to transfer to the City's General Fund more monies than it "earns" through operations. Cash reserves at year-end 2013 were \$18.1 million, producing a current ratio of 3.3. LRB estimates 2014 year-end cash reserves will be \$16.2 and cash reserves for 2015 could be \$14.1 million with a likely current ratio of 2.6.

The department's actual annual operating earnings (before funds transfer and capital improvements) — its annual net funds increase — averaged approximately \$19.2 million for the 5 years from 2009 to 2013, while its corresponding transfer of monies to the City's General Fund averaged roughly \$20.4 million, gradually drawing down cash reserves and lowering the department's liquidity ratio.

Despite this drawdown, Parking's projected current ratio for year-end 2015 is 2.6 indicating sound liquidity. A current ratio of 2.0 is considered standard.

II. EXPENDITURES.**Table 26.2. Changes in Expenditure Amounts by Account.**

Expenditure Account	2013 Actual	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
Salaries and Wages	\$4,384,111	\$4,666,682	6.45%	\$4,846,535	3.85%
Fringe Benefits	\$2,367,420	\$2,520,008	6.45%	\$2,617,129	3.85%
Operating Expenses	\$13,901,533	\$14,869,300	6.96%	\$14,340,000	-3.56%
Equipment Purchases	\$67,668	\$279,200	312.60%	\$475,400	70.27%
Special Funds	\$4,256,834	\$5,162,286	21.27%	\$5,665,286	9.74%
Total Operating Budget	\$24,977,566	\$27,497,476	10.09%	\$27,944,350	1.63%
Transfer to Gen. Fund	\$18,550,000	\$17,425,000	-6.06%	\$17,000,000	-2.44%
Pension Reserve	\$0	\$0	NA	\$0	NA
Capital Imp. *	\$1,849,162	\$1,715,000	-7.26%	\$2,292,000	33.64%
TL Non-Operating	\$20,399,162	\$19,140,000	-6.17%	\$19,292,000	0.79%
Total Budget *	\$45,376,728	\$46,637,476	2.78%	\$47,236,350	1.28%

* Net of Contingent Borrowing Authority.

1. Budget Summary.

The Parking Fund's budget can be divided into an Operating Budget which includes salaries and fringe benefits, operating expenditures, equipment purchases and operating costs paid through special funds including the department's pension contribution and debt service, and a Non-Operating Budget for the transfer of monies to the City's General Fund, contributions to the City's Pension Reserve Fund and capital improvement expenditures.

The Proposed Operating Budget of \$27,944,350 is up 1.63%, or \$446,874 from the 2014 Adopted Budget of \$27,497,476, while the Proposed Non-Operating Budget of \$19,292,000 is up slightly to \$152,000, or 0.79%, from the 2014 Adopted Budget of \$19,140,000.

Table 26.3. Changes in Operating & Non-Operating Budgets, 2014 to 2015.

Operating Budget		Non-Operating Budget	
Category	Change	Category	Change
Personnel Costs	\$276,974	Transfer to General Fund	(\$425,000)
Operating Expenditures	(\$529,300)	Capital Improvements	\$577,000
Equipment Purchases	\$196,200	Total	\$152,000
Special Funds	\$503,000		
Total	\$446,874		

2. Personnel Costs.**Table 26.4. Changes in the Proposed Payroll Budget, 2014 to 2015.**

Category	Units	Change
New Positions		
Parking Operations Manager	1	\$79,646
Salary Reclassification & Replacements		
Parking Operations Supervisor		\$7,213
Various Replacements		(\$17,545)
1.30% Net Salary Rate Increases		\$55,292
Sub-Total Changes	1	\$124,605
Payroll Adjustments		
Personnel Cost Adjustments		(\$744)
Overtime		\$0
Furlough		\$55,992
Total Payroll Adjustments		\$55,248
Total Salary Changes & Adj		\$179,853
Fringe Benefits		\$97,121
Total Changes	1	\$276,974

Salary and fringe benefit costs for 2015 of \$7,463,664 are projected to be up \$276,974 (3.71%) from \$7,185,960 in the 2014 Adopted Budget.

One new authorized position – Parking Operations Manager – is added in 2015 bringing total positions to 121. The position, the highest-ranking manager in Parking, is currently vacant. Final

candidates are being interviewed in October, 2014.

Parking has been moved from DPW-Admin to DPW-Operations. In prior years Parking reimbursed DPW-Admin for the Parking Operations Director. In 2014, that reimbursement was \$137,935 for wages and fringe benefits. The salary for the Parking Operations Manager starts at \$79,646 plus approximately \$43,009 in benefits for a total of \$122,655.

Substantially the entire increase in wages and fringe benefits comes from 4 sources:

New Parking Operations Manager	\$ 79,646
1.3% Salary Rate Increases	\$ 55,292
Furlough	\$ 55,992
<u>Fringe Benefits Increase</u>	<u>\$ 97,121</u>
Total	\$288,051

3. Operating Expenditures.

Operating expenditures for 2015 of \$14,340,000 are projected to be down \$529,300, or -3.56%, from the \$14,869,300 in 2014's Adopted Budget. Table 26.5 details the changes by category, and descriptions of the changes follow.

Table 26.5. Changes in the Proposed 2015 Operating Expenditures Budget.

Category	Change	Percent
General Office Expense	(\$16,000)	-24.24%
Tools & Machinery Parts	\$7,000	700.00%
Construction Supplies	\$11,000	157.14%
Energy	\$40,700	4.87%
Other Operating Supplies	(\$15,000)	-12.50%
Facility Rental	\$2,000	1.35%
Professional Services	(\$825,000)	-10.82%
Property Services	\$150,000	18.18%
Infrastructure Services	(\$90,000)	-75.00%
Vehicle Repair Services	(\$6,000)	-37.50%
Other Operating Services	\$250,000	7.04%
Reimburse Other Departments	(\$38,000)	-2.53%
Total	(\$529,300)	-3.56%

Professional Services. Roughly 21%, \$175,000, of the 2015 projected \$825,000 decrease in Professional Services comes from shifting the \$175,000 payment to BMO Harris Bradley Center discussed in INITIATIVES AND PROGRAMS (SECTION I) to Other Operating Services. The remaining 79% comes from adjustments to match actual 2013 expenditures and a projected decrease in citations, and the associated administrative costs, for 2015.

Other Operating Services. Seventy percent, \$175,000, of the 2015 projected \$250,000 increase in Other Operating Services is due to the shifting of the \$175,000 payment to BMO Harris Bradley Center from Professional Services to Other Operating Services. The remaining 30%, or \$75,000, are adjustments to match actual 2013 expenditures, additional costs from a new towing contract and temporary help needs for busy periods.

Property and Infrastructure Services. Combined, these 2 categories are up \$60,000. In prior years, Parking paid DPW Forestry/Sanitation through Infrastructure Services for snow removal, lawn care and trash pick-up for city surface lots. In 2015, Forestry/Sanitation discontinued these services, reducing Parking's Infrastructure Services costs by \$90,000. Parking is now seeking private vendors to provide these services and expects to spend \$150,000 through Property Services to secure them, resulting in a net \$60,000 increase in costs.

Reimburse Other Departments. Reimburse Other Departments is down \$38,000 in part due to moving the \$137,935 cost of the DPW-Admin Parking Operations Director in-house as a somewhat downgraded Operations Manager (\$79,646 in salary plus \$43,009 in fringes).

General Office, Tools & Machinery Parts, Construction Supplies, Energy, Other Operating Supplies and Vehicle Repair Services. These categories combined are up \$21,700 due to adjustments to match actual 2013 expenditures.

Facility Rental. Facility Rental is up \$2,000 due a lease-mandated rate increase.

4. Equipment Purchases.

Parking's 2015 proposed \$196,200 increase in equipment purchases is summarized in Table 26.6 below.

Table 26.6. Changes in the Proposed 2015 Equipment Purchase Budget.

Category	Change	Category	Change
Budget Increases or Purchases		Budget Deletions*	
Step Van	\$110,000	Laptop Computers - Rugged	(\$6,300)
Pick-up Truck with V Plow	\$40,000	Tablet PCs	(\$6,000)
Computers	\$27,000	Digital Video Cameras	(\$2,000)
Utility Terrain Electric Vehicle	\$18,000	Printers	(\$2,000)
Electric cart	\$7,000	Overhead Mounted Projector	(\$900)
Auto-Jeeps	\$4,000	Total Budget Deletions	(\$17,200)
Multi-function printer/fax/scanner	\$3,000		
Lawn Care & Snow Removal	\$2,300	Total Equipment Changes	\$196,200
Commercial Grade Carpet Cleaner	\$1,200		
Pallet truck	\$900		
Total Purchases	\$213,400		

* Equipment Budgeted in 2014 but not budgeted for 2015.

5. Special Funds.

The 2015 proposed aggregate Special Funds budget of \$5,665,286 is up \$503,000, or 9.74%, from the 2014 Adopted Budget of \$5,162,286. Debt Service is up 17.86%, or \$500,000, while Parking's PILOT payment to the City increased \$3,000, or 0.2%.

6. Non-operating budget Items.

The net \$152,000 increase in the Non-operating budget comes from a \$425,000 reduction in the amount transferred by Parking to the City's General Fund - \$17,425,000 was budgeted for transfer in 2014 and \$17,000,000 is budgeted for 2015. Capital Improvements are up 33.6%, or \$577,000, from \$1,715,000 in 2014 to \$2,292,000 in 2015.

III PERSONNEL.

Table 26.7. Changes in Full-Time Equivalent (FTE) and Authorized Positions.

Position Category	2013 Actual	2014 Adopted Budget	Change	2015 Proposed Budget	Change
O&M FTE's	109.96	117.75	7.79	118.75	1.00
Non-O&M FTE's	0.00	0.00	NA	0.00	NA
Total Authorized Positions	120.00	120.00	0.00	121.00	1.00

1. Personnel Changes.

Parking FTE's proposed for 2015 are up one due to the new Parking Operations Manager position. Table 26.7 summarizes FTE changes. Table 26.4 summarizes payroll changes.

2. Vacancies.

There are currently 5 vacant positions in the department totaling an estimated \$232,165 in budgeted salaries. All are expected to be filled during October, 2014.

Table 26.8. Summary of Vacant Positions, 2015.

Nbr. of Positions	Position Title	Est. Salary	Date Vacated	Plans to Fill
1	Parking Operations Manager	\$79,646	New Position	Final Candidates Interviewing October, 2014.
1	Tow Lot Assistant III	\$37,749	3/23/2014	To be filled in October 2014.
3	Tow Lot Attendant	\$114,791	March & May 2013	Delay in candidate list generation - Expect to fill October, 2014.
5	Total	\$232,185		

V. SPECIAL PURPOSE ACCOUNTS (SPA).

None.

VI. REVENUES.

Projected total revenues for 2015 of \$42,896,600 are virtually unchanged from 2014 Adopted Budget of \$43,023,900 – down -0.3%, or \$127,300. Since 2010 when revenues were \$47.7 million, revenues have trended down or remained unchanged. Projected 2015 revenues are down 10% from 2010 revenues.

Table 26.8. Changes in Revenue by Category.

Revenue Category	2013 Actual	2014 Adopted Budget	Change	2015 Proposed Budget	Change
Parking Citations	\$21,344,212	\$21,000,000	-1.6%	\$20,702,300	-1.4%
Parking Structures	\$7,175,291	\$7,070,500	-1.5%	\$6,981,000	-1.3%
Parking Meters	\$4,982,267	\$4,974,400	-0.2%	\$4,950,000	-0.5%
Parking Permits	\$4,283,438	\$3,891,000	-9.2%	\$4,031,300	3.6%
Towing - Vehicles	\$4,199,150	\$3,900,000	-7.1%	\$4,000,000	2.6%
Towing - Disposal & Other	\$1,183,764	\$1,425,000	20.4%	\$1,100,000	-22.8%
Parking Lots	\$30,959	\$23,000	-25.7%	\$32,000	39.1%
Miscellaneous	\$1,114,865	\$740,000	-33.6%	\$1,100,000	48.6%
Total	\$44,313,946	\$43,023,900	-2.9%	\$42,896,600	-0.3%

VI. CAPITAL PROJECTS.

The 2015 Proposed Budget includes \$7,292,000 in funding for 8 capital projects, an increase of \$577,000 (8.6%) from the 2014 Budget. Capital projects for 2015 are summarized in Table 26.9 and the discussion that follows.

1. Currently-Funded Projects.

Parking Facilities Maintenance, \$200,000.

This is an on-going program that is used to provide necessary repairs of structural, mechanical and electrical deficiencies of a non-emergency nature. Funding is also used to correct unplanned deficiencies identified by violation reports issued by building code inspectors that are time-sensitive in nature. Typical funding is approximately \$200,000 each year. Actual expenditures in 2013 were \$244,255.

Repave Tow Lot and Surface Lots, \$40,000.

This capital account was created in 2014 to repave the Tow Lot and other surface parking lots that the City owns. The 2014 Budget provided \$55,000 in funding. The department is currently developing an ongoing program to maintain approximately 40 City-owned surface parking lots. The 6-year capital request for this program is \$95,000.

2nd & Plankinton Parking Structure Repairs, 400,000.

Funding in 2015 will be used to modernize the west elevator and reapply the roof level membrane.

Funding was provided in 2014 (\$450,000) to paint the interior of the structure which was last painted in 1999. Actual expenditures in 2013 were \$434,000. Expenditures to date in 2014 are \$198,146. No funding was provided in the 2013 Budget.

In addition to the funding proposed for 2015, the department anticipates needing just over \$600,000 over the next six years for various repairs and maintenance. Work is tentatively scheduled for 2015, 2017 and 2018.

MacArthur Square Parking Structure Repairs, \$400,000.

Funding in 2015 will be used to make concrete repairs and paint the east and west sides of the lower level.

Funding was provided in 2014 (\$1.01 million) to replace the expansion joint on the James Lovell level, make concrete repairs, re-apply membrane and pavement markings, and to evaluate the electrical system. Actual expenditures in 2013 were \$181,953. Expenditures to date in 2014 are \$595,759. No funding was provided in the 2013 Budget.

In addition to the funding proposed for 2015, the department anticipates needing \$1.95 million over the next 6 years for various repairs and maintenance. Work is tentatively scheduled for 2015, 2016, 2019 and 2020.

1000 N. Water Street, \$140,000.

Funding in 2015 will be used to replace elevator cabling.

This structure has received no capital funding since 2009 (\$560,000). Expenditures to date in 2014 are \$4,017.

In addition to the funding proposed for 2015, the department anticipates needing \$588,000 over the next 6 years for various repairs and maintenance. Work is tentatively scheduled for 2015, 2016, 2017 and 2020.

Milwaukee/Michigan Parking Structure Repairs, \$300,000.

Funding in 2015 will be used for joint caulking, painting and a façade inspection.

This structure has received no capital funding since 2006 (\$280,000).

In addition to the funding proposed for 2015, the department anticipates needing \$2,168,000 over the next 6 years for various repairs and maintenance. Work is tentatively scheduled for 2015, 2017, 2018, 2019 and 2020.

Fourth & Highland Parking Structure Repairs, \$137,000.

Funding in 2015 will be used to install an electrical backup system, to replace elevator cabling and windows, and to do a façade inspection.

This structure has received no capital funding since 2010 (\$550,000). Expenditures to date in 2014 are \$55,912.

In addition to the funding proposed for 2015, the department anticipates needing \$900,000 over the next six years for various repairs and maintenance. Work is tentatively scheduled for 2015, 2016, and 2018.

Single Space Credit Card Meter Mechanisms, \$675,000.

The department anticipates needing \$1,325,000 for a 2 year project to install single space credit card parking meters in the downtown area and the Third Ward where there are less than 6 contiguous parking spaces and parking rates are at least \$1.00 per hour. The project is tentatively scheduled for 2015 and 2016.

The meter manufacturer has installed 136 single space test models at no cost to the City while they monitor their effectiveness. Several models are being tested and improvements are being made. New models were installed during the first week of October, 2014. The department has not yet reached a conclusion as to whether the meters will be purchased and installed.

Table 26.9. Capital Program Summary, 2015.

Program	2015 Proposed Budget	2014 Actual Budget	Increase (decrease)	% Chng.	6-year Request
Parking Facilities Maintenance	\$200,000	\$200,000	\$0	0%	\$1,200,000
Repave Tow Lot and Surface Lots	\$40,000	\$55,000	(\$15,000)	-27.3%	\$95,000
2 nd & Plankinton Parking Structure Repairs	\$400,000	\$450,000	(\$50,000)	-11.1%	\$1,000,000
MacArthur Square	\$400,000	\$1,010,000	(\$610,000)	60.4%	\$2,350,000
1000 N Water Street	\$140,000	\$0	\$140,000	----	\$728,000
Milwaukee/Michigan Parking Structure	\$300,000	\$0	\$300,000	----	\$2,438,000
4 th & Highland Parking Structure	\$137,000	\$0	\$137,000	----	\$1,037,000
Single Space Credit Card Mechanisms	\$675,000	\$0	\$675,000	----	\$1,325,000
Total	\$2,292,000	\$1,715,000			\$10,173,000 ¹

¹ The total does not include out year requests for projects that were not funded in 2015. The 6-year total for all submitted requests is \$13,723,000.

2. Unfunded Capital Requests.

None.

3. Project Updates.

Parking Meter Wireless Installation

This project received \$720,000 in the 2013 Budget to install a wireless communications (WiFi) network for the City's multi-space meters to reduce cellular communication costs. There are approximately 250 multi-space meters downtown and in the 3rd Ward. The system was to have a secure network with guaranteed priority bandwidth for processing parking meter transactions. The residual bandwidth would have been made available to the public free of charge.

DPW worked with the vendor of the LUKE meters to identify and approve a wireless modem that would ensure the security of credit card transactions. A modem was identified, but its manufacture was discontinued in January 2013. DPW investigated other potential modems but none was identified that provided the features that were initially anticipated. The meter vendor and DOA-ITMD staff have determined that the project is not viable. No funds were expended in 2014.

License Plate Recognition (LPR) System

This project received \$721,000 in the 2013 Budget to install license plate recognition (LPR) cameras on parking enforcement jeeps. The technology can confirm the purchase of a night parking permit, identify vehicles that have been reported stolen and recognize vehicles with outstanding violations. The cameras will be used for both day and night parking enforcement. This project will eliminate the costs related to printing and selling parking permits. The estimated payback period for this project is between five and six years.

As of October 2013, all the cameras had been installed. The software was programmed to reflect the City's parking regulations. The sale of virtual parking permits for 2014 began in December, 2013.

The department has seen an increase in the number of permits purchased compared to the same period last year, an increase in on-line purchases, increased sales of annual permits and a decrease in voided citations related to lost or stolen permits. The department feels the technology is more efficient, especially during the snow season, and more accurate.

The department has developed a policy that governs access to the license plate database, record retrieval and record requests. The policy is under review by the City Attorney. License plate data will be stored on a server maintained by the Dept. of Administration – ITMD for seven years. Vehicle registration information will not be stored in the database. The data will be made available to the Police Department upon request.

Pay-by-Phone App

Proposals for a project that will allow users to pay for parking by phone are being evaluated. The contract for the project will be administered by DPW Parking staff. There is no cost to the City for the pay by phone service. Users of the service will pay a convenience fee. The City will pay the normal credit card fees associated with parking transactions. The service is expected to be available to users in early 2015.

4. Future Capital Requests.

Replace Multi-Space Meters

The department anticipates needing \$2.0 million for the scheduled replacement of the multi-space meters that the City began installing in 2007. The meters have a 10-12 year useful life and will likely need to be replaced or need substantial maintenance by 2019.

Replace Revenue and Access Control Equipment

The department anticipates needing \$1.55 million for the scheduled replacement of revenue and access control equipment at 4 parking garages. The equipment was installed in 2004 and has a useful life of 9-11 years. The department believes that the recent changes in required parking structure staffing will not have an effect on this project.

VII. ISSUES TO CONSIDER.

- 1. LPR Data Retention and Management:** Parking and the City may want to take a more active role in the License Plate Recognition data retention, access policy and privacy protection dialogue to help shape the laws and standards that will eventually emerge to govern LPR storage and data management to better protect Parking's interests.
- 2. Revenue Diversification:** With 48% of Parking's revenues coming from citations, Parking may want to consider being more aggressive about finding ways to diversify its revenues, such as using "smart pricing" of meters.
- 3. Cash Reserves:** Address the amount of cash reserves needed to maintain adequate levels of liquidity without leaving excess cash unused.
- 4. Capital Projects:** The purchase of sophisticated license plate reader (LPR) systems, which are made up of high-speed cameras that capture photographs of each license plate combined with software that analyzes the photos to identify the license plate number, could have implications for privacy and first amendment rights. Many systems are configured to store the photograph, the license plate number, as well as the date, time and location. Key concerns are unauthorized access to data, undefined data retention periods and widespread data-sharing. The broader policy question of increased parking enforcement and issues of fairness should also be addressed.

Prepared by: Aaron Cadle, Legislative Research Analyst—Lead
Contributor: Kathy Brengosz, Fiscal Planning Specialist
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