

PARKING FUND

Executive Summary: 2011 City of Milwaukee Proposed Budget 2010

Hearing Date: October 22,

1. **Personnel:** The 2011 Proposed Parking Fund Budget transfers an Accounting Assistant II from DPW Administrative Services to the Parking Funding to assist with Fund accounting and financial system data entry. (Page 2)
2. **Operating Expenditures:** The 2011 Parking Fund's operating expenditures budget totals \$14,242,000, a \$541,000 decrease from the \$14,783,000 provided in the 2010 Budget, which is primarily due to a reduction in funding for professional services. (Pages 3 & 4)
3. **Replacement Equipment:** The 2011 Proposed Budget includes \$120,000 for the replacement of 4 Jeeps and \$25,000 for the replacement of one meter repair pick-up truck. (Pages 4 & 5)
4. **Transfer to the General Fund:** In order to move towards a more sustainable transfer in future years, the 2011 transfer is reduced to \$20,787,000. The reduction is primarily the result of an approximately \$1.1 million decrease in the withdrawal from reserves to approximately \$4.6 million. (Page 6)
5. **Parking Citation Revenues:** The 2011 estimated parking citation revenue is \$22.0 million, the same as 2010. (Page 6)
6. **Citation Collection Effort:** As of August, 2009, there was approximately \$58.9 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$18.1 million is considered to be reasonably collectable. Most of the remaining \$40.8 million in parking citation delinquencies are for citations issued to vehicles without state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner. (Page 7)
7. **Collections:** In recent years, the Department of Public Works has implemented strategies for handling the large number of parking scofflaws. (Pages 7, 8 & 9)
8. **Service Enhancements:** Duncan Solutions will soon be piloting a single-space parking meter that allows credit card payment. (Pages 10 & 11)
9. **Capital:** The 2011 Proposed Budget includes 3 capital improvement items for the Parking Fund totaling \$1,175,000, an increase of \$225,000 (24%) from the 2010 Budget. All capital items were funded as requested. (Page 11)

Expense Category	2009 Actual	2010 Budget	% Change	2011 Proposed	% Change
Operating	\$ 42,750,933	\$ 50,692,216	19%	\$ 48,428,800	-5%
Capital	\$ 2,038,595	\$ 950,000	-53%	\$ 1,175,000	24%
Positions	129	130	1%	131	1%

Personnel

1. The 2011 Proposed Budget returns the following 2010 Unified Call Center positions to the Parking Enforcement Information Desk.
 - 5 - Communication Assistant IV
 - 16- Communication Assistant
2. The 2011 Proposed Parking Fund Budget also transfers an Accounting Assistant II from DPW Administrative Services to the Parking Funding to assist with Fund accounting and financial system data entry.

Vacancies

As of August, 2010, there are 4 vacancies—2 in Parking Enforcement and two at the Tow Lot. At Parking Enforcement, they include one parking enforcement officer position that became vacant on August 31, 2010, and is anticipated to be filled by November 2010. The second position is a communication assistant that was vacated in January 2010. It will not be filled with permanent staff until DPW-Parking learns the final disposition of the proposed Unified Call Center and its effect on parking operations. Until that time, staff is utilizing the temporary help services.

At the Tow Lot, there is one tow lot attendant position that was vacated in Fall 2009. It remained unfilled due to the Tow Lot remodeling, but will be filled before year-end upon completion of the remodeling. In addition, the Tow Lot Crew Leader position was vacated on July 30, 2010; it is anticipated to be filled by November 1, 2010.

Operating Expenditures

The 2011 Parking Fund’s operating expenditures budget totals \$14,242,000, a \$541,000 decrease from the \$14,783,000 provided in the 2010 Budget, which is primarily due to a reduction in funding for professional services.

Professional Services

The 2011 Proposed Budget includes \$7.1 for Professional Services, a \$437,000 reduction from the \$7,537,000 provided in the 2010 Budget. The decrease primarily reflects a funding adjustment that is based on the actual results from the collection terms of the new citation processing contract.

Duncan Solutions, formerly Professional Account Management (PAM), receives the majority (\$5.4 million)

of the Professional Services Account funding for processing citations (parking, municipal and traffic), including staffing 3 payment centers, processing primary and secondary collections, scheduling reviews with both the Citation Review Manager and Municipal Court, supporting the database, and online issuance for night parking permits, maintaining the tow management system, placing vehicle registration holds, mailing overdue notices, certifying individuals with the state Department of Revenue for the Tax Refund Intercept Program (TRIP), maintaining and supporting the kiosks and leasing the AutoCITES (AutoCITES are hand held computers used for issuance of parking citations).

The 2011 proposed Parking Fund's Professional Services Account also includes funding for the management of 4 City-owned parking structures (\$1.15 million), Division of Motor Vehicles for vehicle registration holds (\$60,000), coin counting/meter services and armored vehicle security services (\$80,000) and credit card transaction fees (\$300,000) paid to credit card companies when citizens use credit cards to pay for parking citations, to purchase night parking permits, and to pay for on- and off- street parking.

Other Operating Expenditure Changes

Other Operating Services decreases from \$4,100,000 to \$3,890,000. A large number of services are funded from this account. However, vehicle towing is one of the more significant charges to this account. The number of tows has been decreasing and is expected to continue to decrease in 2011, mostly attributable to the economy. The costs to the City for some tows have decreased as well. One reason for decreased tows is the pilot program targeting a reduction in street-sweeping tows on the East Side throughout the summer months. Also, DPW indicates that in this economy, people tend to retain their vehicles longer and not abandon them on the streets for

the City to tow. In 2010, the contracts for towing "police hold and abandoned" vehicles were re-bid. One contractor won both the North and South Side areas. Costs on a per tow basis decreased 8.8% and 18.5% for the 2 contracts, respectively.

Tools & Machinery Parts decreases from \$3,000 to \$2,000. This account varies considerably from year to year. Because more single-space meters are being replaced with multi-space meters, the need for parts for the single-space meters keeps decreasing, resulting in decreased funding.

Construction Supplies decreases from \$4,000 to \$3,000. This account is adjusted for 2009 experience.

Other Operating Supplies increases from \$75,000 to \$87,000. This account reflects 2009 experience.

decreased from \$536,700 to \$455,000. The 2010 budget for the "energy" account reflects the anticipated total energy costs as listed on the "Energy Cost Supporting Worksheet (BMD-30)". However, that total includes energy usage paid directly from the "energy" budget account, as well as the "reimburse other departments" account. The 2011 requested amount for the "energy" account only reflects anticipated payments from that account.

Other Operating Supplies increases from \$75,000 to \$87,000. This account reflects 2009 experience.

Facility Rental remains at \$145,000. This the base rent for the parking enforcement facility located at 123 N. 25th Street.

Vehicle Rental decreases from \$12,000 to \$10,000. This account reflects the average of the past 3 years' costs.

Non-Vehicle Rental decreases from \$33,000 to \$30,000. This account reflects 2009 experience.

Infrastructure Services decreases from \$111,000 to \$100,000. This funding is based upon 2009 experience, particularly resulting from seasonal snowplowing contracts where DPW-Parking pays a flat fee bid amount for up to 65 inches of snow. Prior to 2009, DPW bid out up to 5 plowings per season and then paid for each additional plowing. DPW indicates that experience has demonstrated that the flat fee rate has been financially advantageous to the City.

Property Services decreases from \$620,000 to \$595,000. This funding is based upon 2009 experience and anticipated increases in costs in a few areas—water rate increases, elevator service contracts that will be re-bid, and communication charges for the multi-space meters. The 2011 Proposed Budget provides \$23,000 for the Reimburse Other Departments account, an increase of \$5,000 from the funding provided in 2010. The 2011 funding will be used for audit services (\$165,000), payroll and financial system (\$25,000), accounting issues (\$50,000), and miscellaneous services (\$20,000).

Information Technology Services increases from \$2,000 to \$22,000. As the multi-space meters come out of warranty, the City pays a software maintenance license fee on a per meter basis. The majority of this increase is related to the meter software fee. As the warranty expires on more meters in 2010 and 2011, the costs for the license fees will increase.

Replacement Equipment

- The 2011 Proposed Budget includes \$120,000 for the replacement of 4 **Jeeps**. Currently, DPW-Parking has 53 Jeeps in service. The 4 Jeeps being replaced are

10 years old, and the average mileage per Jeep is 111,441.

- The 2011 Proposed Budget includes \$2,000 for **digital video cameras**. The video cameras will replace the current cameras that are used 24 hours a day, 7 days a week, 365 days a year. The exterior of every vehicle is currently video-taped when it arrives on the Tow Lot. Photographic evidence is used to defend the City when vehicle damage claims or theft claims are filed against the City.
- The 2011 Proposed Budget includes \$5,000 for the replacement of **furniture** at the Parking Enforcement and the Parking Information Desk. Parking Enforcement and the Parking Information Desk are 24 hours a day, 7 days a week, 365 days a year operations. Their office furniture, particularly the office chairs, has to be frequently replaced due to intensive use.
- The 2011 Proposed Budget includes \$30,000 for the replacement of 25 microcomputers. All of the computers in Parking Enforcement, the Tow Lot, and the meter and structure areas were beyond their useful life and out-of-warranty. To reduce IT staff support resources needed, Parking replaced half of the computers in 2010 and will replace the remaining computers in 2011.
- The 2011 Proposed Budget includes \$5,000 for the replacement of 3 network printers. This funding will replace 3 existing network printers at Parking Enforcement. The existing printers range in age from 8 to 10 years. All 3 have very high usage; parts are no longer made for these models and the costs to repair them are higher than the market value of the

printers. In addition, new printers will provide significant energy efficiency.

- The 2011 Proposed Budget includes \$25,000 for the replacement of one **meter repair pick-up truck**. The truck being replaced is a 1991, rust-covered GMC S-15 with 63,122 miles on it (Aug 2010). It is used daily by the lead parking meter technician for meter installations, repairs, removals and replacement as well as meter hooding. Life-to-date maintenance costs for this truck are approximately \$9,500. DPW indicates that additional repairs that are necessary include replacement of the entire rusted-out floor, locating replacement tires which are difficult to find, and testing to determine an engine problem. Fleet Services has determined that it is more costly to repair this than the market value of the vehicle.
- The 2011 Proposed Budget includes \$70,000 for 2 **license plate readers**. The Parking Fund currently uses 2 license plate recognition readers that are approximately 6 years old. They are no longer in warranty and are no longer supported by the manufacturer. There is now competition in the market for the manufacture of these readers. DPW has tested the newest models and has found them to be technologically superior and available at a lower cost than the current ones.
- The 2011 Proposed Budget includes \$500 for one **heavy duty shredder**. Parking Enforcement must shred large packets of confidential paperwork on a daily basis that include information such as stolen vehicle lists and vehicle ownership. To avoid names and addresses of vehicle owners being found and utilized in an unofficial manner, the shredder will be used daily to destroy these confidential records.

- The 2011 Proposed Budget provides \$3,000 for **Replacement Equipment** primarily for office furniture, the same amount as provided by the 2010 adopted budget.

Special Funds

Payment to Debt Service (\$3,200,000)

The 2011 Proposed Budget includes a \$3.2 million debt service payment for parking-related debt. Approximately \$1.1 million of the Parking Fund's debt service payment is used as a source of non-property tax revenue to pay costs associated with the City's share of Miller Park infrastructure. The Miller Park debt payments will continue through 2028.

Payment in Lieu of Taxes (\$1,458,000)

The Parking Fund provides a payment in lieu taxes (PILOT) for the Fund's parking structures, parking lots and the tow lot. The 2011 PILOT is \$1,458,000, \$227,494 more than 2009's actual PILOT of \$1,158,506.

Contingent Fund (\$425,000)

The 2011 Proposed Budget includes \$425,000 for the Parking Fund's Contingent Fund. This is a \$325,000 decrease from amount of funding that was included in the 2010 Budget, reflecting funding made available in the 2010 Parking Fund Contingent Fund to provide continued operations for the Parking Information Desk pending the timing of the creation of the Unified Call Center the fund not being required in 2011.

The 2003 Budget established a "Contingent Fund" within the Parking Fund that mirrored other City Enterprise Funds such as Water Works and the Sewer Fund. Like other Enterprise Funds, if expenditures exceed revenues, a transfer from the Fund's Contingent Fund would need to be implemented. Before the establishment of the Contingent Fund, the Parking Fund had to make withdrawals from its cash reserves to fund unanticipated

expenditures. Any excess funds in the Contingent Fund that are available at year-end revert to the Parking Fund's cash reserve.

Pension Contribution (\$147,358)

The 2011 Proposed Budget includes an expenditure of \$147,358 to contribute to the reserve to cover the Parking Fund's portion of future pension fund liabilities.

Transfer to the General Fund

The City of Milwaukee's Budget annually includes a transfer from the Parking Fund to the City's General Fund. The transfer to the General Fund reflects revenues in excess of expenditures, most of which are generated from parking citations and a withdrawal from the Fund's Retained Earnings (cash reserves).

In 2010, the Parking Fund's \$22,287,000 transfer to the General Fund requires a withdrawal from retained earnings of approximately \$5.7 million. The Parking Fund cannot sustain that large of a transfer in 2011 or beyond without affecting the financial viability of the Parking Fund.

In order to move towards a more sustainable transfer in future years, the 2011 transfer is reduced to \$20,787,000. The reduction is primarily the result of an approximately \$1.1 million decrease in the withdrawal from reserves to approximately \$4.6 million.

It is important for the Parking Fund to have adequate reserves, since unanticipated expenditures or revenue shortfalls in Parking Fund activity could result in a General Fund subsidy. Regular General Fund subsidies of the Parking Fund could, in turn, increase the levy and adversely affect state aid associated with the Expenditure Restraint Program.

One measure used to determine the adequacy of an entity's reserves is the current ratio. The current ratio is calculated by dividing current assets by current liabilities, and a ratio of approximately 2:1 is considered to be acceptable. As shown in the table on page 7, the Parking Fund's 2009 current ratio was 6.

Analysis Parking Fund's Cash Reserves 2005-09 (in millions)					
Category	2005	2006	2007	2008	2009
Cash	\$22.0	\$23.0	\$21.6	\$21.9	\$21.0
Current Liabilities	\$3.8	\$3.7	\$4.2	\$3.8	\$3.2
Cash -Liabilities	\$18.2	\$19.3	\$17.4	\$18.1	\$17.8
Current Ratio	5.84	6.15	5.09	5.71	6.6

While the Fund's current ratio increases to 6.6 in 2009, total parking fund cash less liabilities decreased approximately \$300,000 in 2009 compared to the previous year. It is anticipated that the flattening and declining revenues such as meters and especially the tow lot's recovery revenues will impact the fund's ability to make the transfer payments in the future. In addition, this leveling off of revenues will result in less funding being provided to the Fund's reserves in future years.

Parking Fund Revenues

Parking Citation Revenue

The 2011 estimated parking citation revenue is \$22.0 million, the same as 2010. The table below shows the total number of citations and amount of parking citation revenue generated for 2004 through 2009. The decline in the number of citations issued is due to greater compliance and a relaxing of parking regulations such as allowing night time parking on both sides of the street on a

greater number of the City's streets. The increase in 2008 citation revenue reflected a one-time increase obtained in secondary collections by lowering the tax refund intercept (TRIP) threshold to \$45 from the previous \$50 threshold.

PARKING CITATION DATA					
	2005	2006	2007	2008	2009
# issued	913,60	935,000	909,98	880,85	831,62
Revenue (millions)	5		8	9	2
	\$20.2	\$20.4	\$19.3	\$22.7	\$20.9

The tables below show the yearly number of night parking violations meter violations for the years 2005 through 2009.

NIGHT PARKING VIOLATIONS					
	2005	2006	2007	2008	2009
# issued	501,94	518,33	512,87	463,83	420,59
% of total violations	0	0	9	5	8
	54.9%	55.4%	56.6%	52.7%	49.4%

The table on page 7 shows the meter parking violations for 2006 to 2009.

Night Parking Violations				
	2006	2007	2008	2009
# issued	139,857	120,24	122,87	149,69
% of total violations	2	1	2	
	14.9%	13.7%	13.9%	16.9%

Citation Collection Effort

As of August, 2009, there was approximately \$58.9 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$18.1 million is considered to be reasonably collectable. Most of the remaining \$40.8 million in parking citation delinquencies are for citations issued to vehicles without of state plates, and citations issued to vehicles with Wisconsin plates, but without registered owners .

In recent years, the Department of Public Works has implemented strategies for handling the large number of parking scofflaws. After several years of DPW working with WisDOT regarding vehicle registration holds, WisDOT has agreed to make the following changes. In July 2007, the State of Wisconsin's Division of Motor Vehicles (DMV) allowed the City to bundle outstanding parking citations under one license plate hold. However, subsequent citations incurred can not be added to an existing bundle requiring an additional hold to be placed. In addition, the DMV lowered the registration hold fee from \$5 to \$2.50. Further, the DMV does provide the City driver's license numbers as part of the registered owner information for owners who have outstanding citations.

In the past, the City placed a registration hold on the oldest citation. The consequences of being able to bundle outstanding parking citations under one vehicle registration hold means the statute of limitations to adjudicate all the citations increases from 2 years to 6 years. This is important in light of an order by the Municipal Court to not adjudicate any citation that is outstanding by more than 2 years and does not have a registration hold. Being able to bundle outstanding parking citations under one vehicle registration hold will reduce the number of holds placed by the City. In 2011, to reflect this reduction and the reduced cost of a hold, DPW will

adjust the funding for vehicle registration holds to \$60,000 from the \$170,000 budgeted for this activity in 2010. As recently as 2007, \$600,000 was budgeted for vehicle registration holds.

The Department of Public Works has also worked with the State of Wisconsin's Department of Transportation to allow the City to obtain drivers' license numbers for owners who have outstanding citations. In August 2006, the City began receiving driver's license numbers from the DMV on individuals who have unpaid parking citations. This information is received along with the vehicle registration information. The purpose of the City receiving drivers' license numbers is to share this information with the Department of Revenue for Tax Refund Intercept Program (TRIP) certification purposes. The Wisconsin Department of Revenue requirements for a social security number or driver's license number to certify debt had limited Tax Refund Intercept Program (TRIP) certifications. Since the DMV has provided the City with drivers' license numbers as part of the vehicle registration data, many more certifications are taking place with a much smaller error rate. Prior to receiving the drivers' license numbers, the certification rate was 47% of those eligible. Currently, 89% of all citations eligible to be certified under TRIP (i.e., vehicles registered in Wisconsin, with valid registration addresses, and with a balance of \$40) has been certified. Most of this improvement is due to receiving the drivers' license number information from the DOT, but also some improvement can be associated with Duncan Solutions implementing improved data scrubbing and skip tracing routines.

When someone's name is certified on the Wisconsin Department of Revenue (WISDOR) interception list, it remains on the list until the debt has been paid. Debt is paid to the City when there is a tax refund due and after

any other municipalities who may have registered with the WISDOR prior to the City doing so have been paid.

The City began participating in TRIP in the fall of 2002 for unpaid parking citations for those people with balances over \$300. Over the years, DPW has reduced the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to unpaid parking tickets that are a minimum of 80 days old and that have a total balance of at least \$40 are qualified to be certified by the Tax Refund Intercept Program (TRIP).

From 2003 (beginning of participation in TRIP) through July 31, 2010, 951,693 citations have been certified with the Department of Revenue totaling approximately \$46.7 million, of which 375,965 citations totaling over \$17.2 million were paid prior to interception and an additional 328,426 citations totaling \$15.8 million were actually paid through interception. As a result of certification, 704,211 or 74% of the citations certified have been paid to-date for a total combined value of \$33,050,965.

This represents a collection rate of 32%. At the end of 2008, \$18.7 million in outstanding debt still remained certified, which will likely be collected over many years.

The utilization of a summons and complaint form at the Tow Lot is another strategy used to reduce the number of scofflaws. If a vehicle is towed and there are 3 or more outstanding parking citations older than 30 days, the vehicle owner is served a "summons and complaint". This has proven to be a very effective tool in requiring people to pay or adjudicate outstanding parking citations. In 2009, the Tow Lot staff issued 2,987 summons for 28,525 citations valued at \$1,306,341. For the first 6 months of 2010, 714 summons were issued for 6,905 citations valued at \$320,637.

Secondary Collections

Secondary collections represent citations paid 80 or more days after issuance. Citations become past due when unpaid after 10 days. Secondary Collections represent approximately 44% of total collections. The table below shows the secondary revenue collected by Duncan Solutions since 2002. The increase in 2006 and 2008 collections reflect a reduction in the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to \$75 and \$45, respectively. Typically when the TRIP amount is lowered, a one-time increase in collections will occur, such as in 2010 when the TRIP amount was lowered to \$40.

Secondary Collections (in millions)					
2005	2006	2007	2008	2009	2010 Through July
\$6.8	\$7.2	\$6.1	\$8.9	\$7.3	\$7.1

Outstanding Debt Task Force

The Common Council Outstanding Debt Task Force issued its report on December 1, 2005 (File #051098). The Task Force reviewed monies owed the City and strategies for collection. On January 18, 2006, the Common Council adopted a resolution (File #051150) directing the Intergovernmental Relations Division to seek the introduction of state legislation necessary for implementing various recommendations of the Task Force. Two of the Task Force’s recommendations related to the collection of outstanding parking citations:

- Seek State legislation to allow for the towing/booting and impounding of vehicles for unpaid citations. This language is permissive whereby a city may tow or boot a legally parked or illegally parked vehicle for unpaid nonmoving violations.

- Seek State legislation to establish a time frame to adjudicate nonmoving traffic violations for cities of the first class. The language is permissive whereby the city may adopt an ordinance requiring a person who was issued a parking citation to, within 180 days after the parking citation was issued, either pay the citation or make arrangements with the city to contest the citation. If the person fails to comply with any of these provisions, the person is deemed to have entered a plea of no contest. The court must accept the plea of no contest, find the person guilty and enter judgment. The court would be required to mail the person a copy of the judgment along with a statement setting forth the actions the court may take if the judgment is not paid.

DPW indicates that the booting legislation was the highest priority for DPW Parking in the last legislative session. It passed the Senate and was scheduled for the Assembly on the last day of the legislative session, but a vote was not taken. DPW also indicates that support for the legislation could be strengthened within the Milwaukee delegation and that its fate in the next legislative session will depend in part on the partisan the legislature.

Other legislation, establishing a time frame to adjudicate parking citations for cities of the first class, was drafted and circulated by Rep. Krusick on behalf of the City of Milwaukee. The Municipal Judges’ Association opposed the legislation. DPW disagrees with the judges and has requested this legislation be included in the City’s 2009-2010 legislative package. DPW intends to work with Rep. Krusick and the Municipal Judges’ Association to find a resolution that is amenable to all parties.

Towing Operations

The Tow Lot’s 2009 actual revenues exceeded operating expenditures by approximately \$1.2 million. The 2009 decrease in “excess” revenue can be primarily attributed

to the lower than anticipated junk bid and recycling revenue.

In 2009, 34,866 vehicles were towed, approximately the same number of vehicles towed in 2008. Through July 31 2010, 16,030 vehicles had been towed. DPW expects to tow 31,500 in 2011. The number of tows in recent years has been decreasing, partially due to greater compliance and partially due to a reduction in East Side street-sweeping tows.

Due to a number of reasons, the percentage of vehicles retrieved by their owners has increased dramatically over the last few years. In 2003, the retrieval rate was 42%. In 2008, the retrieval rate had increased to 80%. The significant increase in retrieval rates from 2006 also reflects the implementation of a City ordinance that prohibits a vehicle from parking on City streets without displaying valid registration and the City towing illegally parked cars with 4 or more open citations. The average number of days before a vehicle is released to its owner has dropped from 3.75 in days in 2003 to approximately 2 days in 2009.

Assuming that 32,500 vehicles will be towed in 2011, DPW anticipates the Tow Lot will generate approximately \$1 million in "excess" revenue over its 2011 operating costs. The 2011 Proposed Budget includes \$4.4 million for the Tow Lot's total operating expenditures. DPW-Administrative Services estimates that the Tow Lot will generate \$5,350,000 in revenue from the towing and disposal of vehicles an approximately \$800,000 from the 2010 estimate. The 2011 decrease is primarily due to lower than anticipated revenue from junk bids and recycling revenue.

Other Parking Fund Revenue Structures

The 2011 estimated revenue for the Parking Fund's structures is \$7.2 million, a slight increase from 2009.

Notable revenue changes include a \$210,000 increase the MacArthur Square structure and \$230,000 decrease at 1000 N. Water structure and reductions in revenue from the restaurant in the 4th and Highland structure (\$122,384) and the 4th and Highland structure (\$50,000).

Regarding the sale of parking structures, DPW indicates that there is no RFP being written to sell any City-owned parking structure. However, the owner of the 1000 N Water office tower continues to express interest in purchasing the City's parking garage in that building. No formal offer has been made to the City. The office tower owner has the legal right as part of the condominium agreement to have first right of refusal should it be offered for sale. If a serious offer is received from the tower owner that is acceptable to both DPW and the City Comptroller in terms of value to the City, the proposal would be submitted to the Common Council to determine whether a sale would be in the best interest of the City.

Overnight Parking Permits

The 2011 revenue from the sale of overnight parking permits is estimated to be \$3.75 million, the same as 2010.

On-Street Parking Meters

The 2011 on-street meter revenue is estimated to be \$4,650,000, a decrease of \$410,000.

Parking Fund Service Enhancements

Night Permits

All 9 kiosks at 6 district stations were replaced between December 2009 and January 2010. While no additional kiosks are being planned in 2010 or 2011, web-based permit purchase began December 20, 2009. As of August 11, 2010, 13,702 night parking permits were sold via the web for 2010. That represents 13% of the total permits sold to date. Of that number, 6,467 were annual permits

and the remaining 7,235 were 4-month permits. DPW anticipates that as the public becomes more familiar and comfortable with the new service, the number of permits purchased on-line will increase over time. This will help to extend the life of our existing kiosks and reduce lines at the district police stations.

Single Space Meters

Duncan Solutions will soon be piloting a single-space parking meter that allows credit card payments using a mesh network for connectivity. Previously, any meter that accepted credit card payments required its own modem for each meter, which is very expensive to operate. This new meter will allow up to approximately 10 meters to utilize one modem, depending upon location, thereby vastly minimizing communication costs. Internal mechanisms of the single-space meters would be changed, but the housing would remain the same. Duncan has asked whether the City would like to participate in this pilot in 2011. If the test yields positive results, DPW would consider utilizing this system on blocks or areas where a Luke multi-space meter would be cost-prohibitive, typically where there are not at least 6 adjacent metered spaces. This would allow the City to offer a credit card option to everyone using meters charging \$1+ per hour.

Capital

The 2011 Proposed Budget includes 3 capital improvement items for the Parking Fund totaling \$1,175,000, an increase of \$225,000 (24%) from the 2010 Budget. All items are funded as requested.

Parking Facility Maintenance - \$250,000 This program provides for necessary repairs of a non-emergency nature that can lead to structural, mechanical or electrical deterioration. By grouping smaller, planned repair or renovation projects into a single capital account, DPW can adjust priorities and individual scopes during the budget year. It also allows staff to bid similar work across various

structures to obtain lower prices. Funding is also used to correct unplanned deficiencies identified by violation reports and general inspections. The reports are issued by building code inspectors and may be time-sensitive in nature. The total 6-year capital request for this program is \$1,500,000.

Multi-Space Meter Purchase and Installation - \$600,000

2011 funding for this program will replace Marquette and Mt Sinai area single-space meters with multi-space electronic meters that accept credit/debit card payments. Approximately 425 single space meters will be replaced with approximately 50 multi-space meters. The minimum hourly rate considered for the installation of multi-space meters is \$1 per hour. The Common Council legislated this rate as part of the 2010 budget. Meter collection costs are expected to decrease by approximately 90%. No funding has been requested for the period after 2011.

In the downtown and Historic Third Ward, credit card revenue comprises approximately 60% of the revenue generated and 447% of the transactions processed.

Second and Plankinton Parking Structure Repairs - \$325,000 The 2011 funding will repair concrete delaminations, cracks, and worn deck surfaces. Additional funding for this project is requested for 2012 and 2015. The total 6-year request is \$1,330,000.

Projects on the 6-year capital program include structural repairs to the parking structures at Fourth and Highland (\$935,000 6 yr), Milwaukee and Michigan (\$880,000 6 yr), and MacArthur Square (\$1,175,000 6 yr). These projects **do not** require funding in 2011.

Issues to Consider

- The 2011 transfer of approximately \$20.8 million to the general fund is not sustainable.

- How certain Parking Fund positions will be integrated into the Unified Call Center has not been finalized.

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