

2017



Legislative Reference Bureau

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# PARKING FUND



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## 2017 Proposed Plan and Executive Budget Review

Prepared by: Aaron Cadle, Legislative Fiscal Analyst  
Budget Hearing: 10:30 am on Thursday, October 13, 2016  
Last Updated: October 7, 2016

**Final Version**



**\$27,580,574**

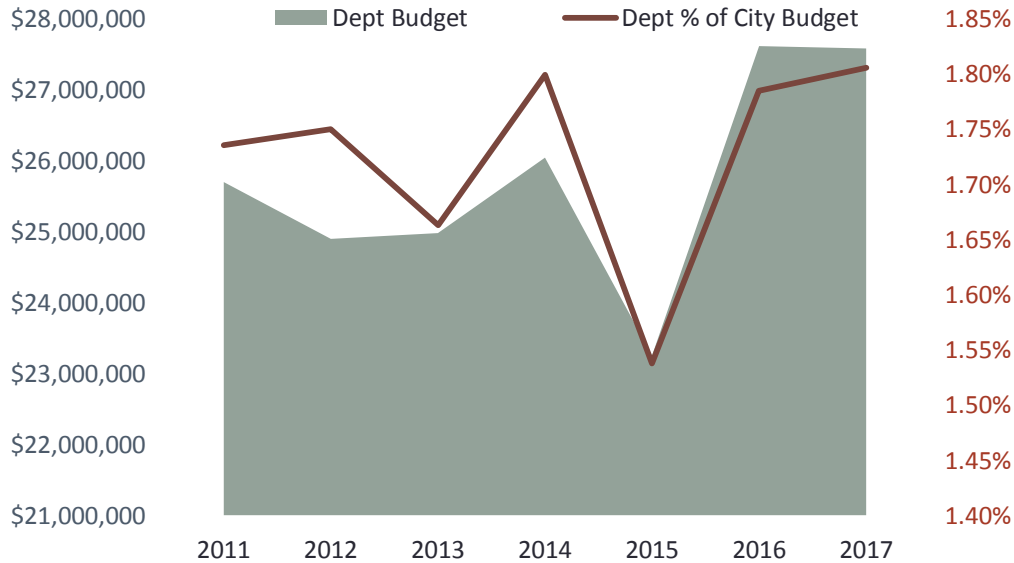
Proposed 2017 Budget

**\$33,534**

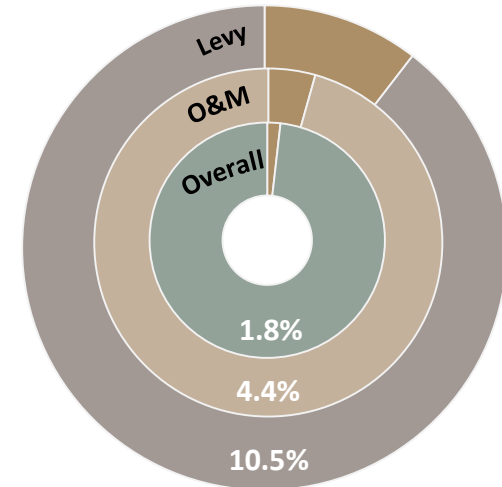
Change in Proposed Budget

**0.1%**

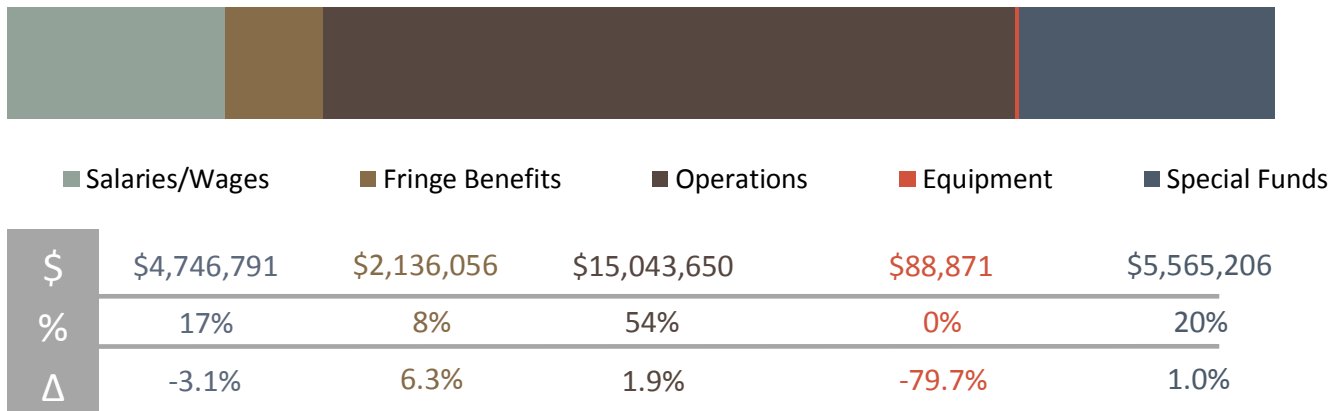
% Change in Proposed Budget



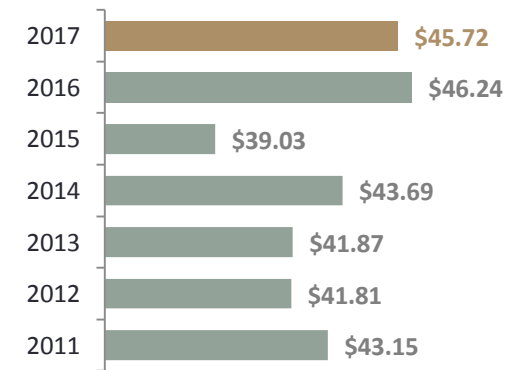
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



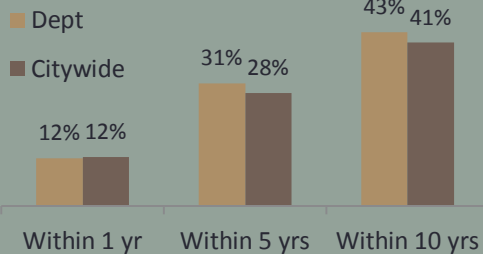
**\$-75,897**

Net salary savings projected for 2017 resulting from eliminating 3 positions (49.6% of total savings).

**\$-58,049**

Net salary savings projected for 2017 resulting from changes in base salaries of staff (37.9% of total savings).

**Retirement Eligible**



**-3**

Change in Positions

**-2.5%**

% Change in Positions

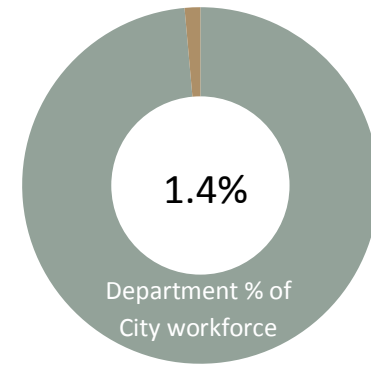
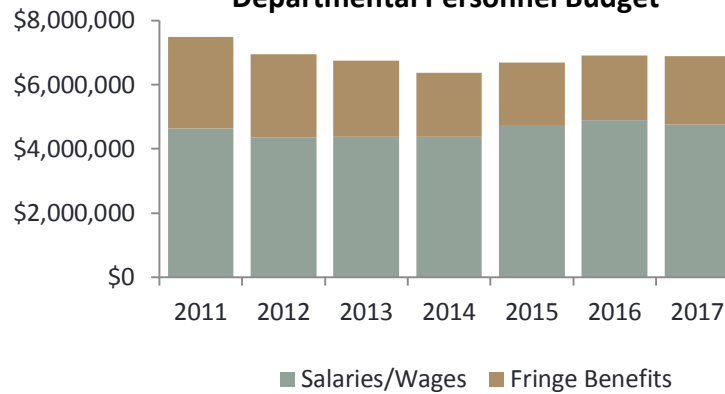
**4**

Current Vacancies

**14**

Voluntary Separations

**Departmental Personnel Budget**



**3 Vacant Positions Eliminated for 2017**

- 2 Parking Checkers - \$46,195
- 1 Graduate Intern - \$29,702

**Fringe Benefits Cost Increase**

The 2017 Proposed Budget projects a \$127,137 (6.33%) increase in fringe benefit costs over the 2016 Adopted Budget resulting from an increase in the fringe benefit calculation rate from 41% of total net salaries to 45%.

**131**



**Department Positions  
2011-2017**

**\$400,000**

Projected “profits” received from the Milwaukee Bucks in 2017 to compensate the City for earnings lost from closing the 4<sup>th</sup> & Highland parking structure.

**\$16,600,000**

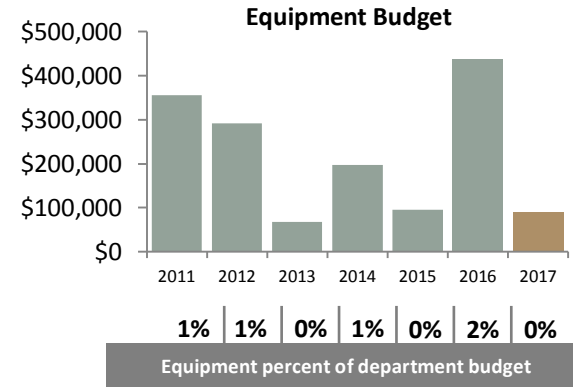
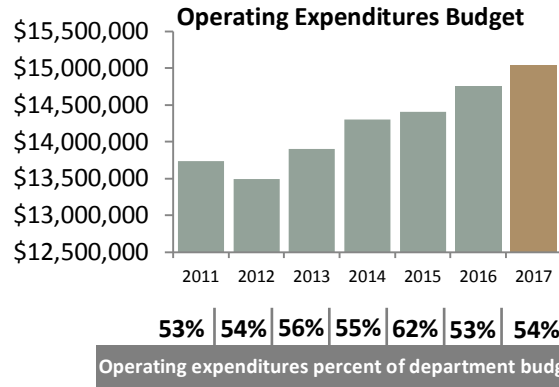
Projected 2017 transfer to the General Fund, unchanged from the 2016 Adopted Budget. The average transfer from 2011 to 2015 was approximately \$19.2 million.

**\$1,610,000**

2017 Proposed Budget for renovations of the MacArthur Square parking structure.

**\$1,650,000**

Combined 2016 Adopted and 2017 Proposed Budgets to purchase single-space, “smart” meters. Actual 2015 single-space meter purchases totaled \$577,429.



**Compensation for Closed 4<sup>th</sup> & Highland Parking Structure**

Beginning October 7, 2016, the Milwaukee Bucks will pay the City each month an estimated “profit” lost by the City from the closing of the 4<sup>th</sup> & Highland parking structure until the new Arena parking structure is fully operational – projected to be September, 2017. The Bucks will promote parking at MacArthur Square and 1000 N. Water until its Arena structure is ready, and any increased “profits” realized by the City as part of this promotion will reduce the “profits” lost by the City by the closing of its 4<sup>th</sup> & Highland parking structure.

**MacArthur Square Renovations**

From 2011 through 2015 the Parking Fund spent approximately \$2.3 on renovations of its MacArthur Square parking structure.

**Single-space, “Coin” Meter Replacement**

The department issued an RFP in September, 2016, to purchase single-space, “smart” meters to replace the Fund’s roughly 20-year-old inventory of 3,800 “coin” meters over the next 3 years. All purchases will be “smart” meters able to accept credit- and bank-card payments, but the department has yet to determine what portion will include “sensors” to detect if the parking space is in-use or empty.

**Capital Spending**

Total 2017 Proposed Budget capital spending of \$3,340,000 is down \$3,440,000 (51%) from the 2016 Adopted Budget, but is nearly 1½ times actual 2015 capital spending of \$1,353,606. Average actual capital spending from 2011 to 2015 was \$1,250,413 annually.

**70.4%**

Portion of 2016 on-street meter revenue through August coming from “smart” meters able to process credit card payments.

**383,663**

MKE Park 2016 mobile parking payment app transactions through August – 26.5% of LUKE meter transactions.

**400**

Approximate number of single-space, “smart meters” being tested with “sensors” designed to detect if the parking space is in-use or empty.

**\$-1,143,025**

Projected 2017 decline in citation revenues from the 2016 Adopted Budget (-6.1%).

**Credit Card vs. Coin – 2016 Meter Payments through August**

- 55.8% of all meter revenues received through credit- or bank-card payments.
- 56.2% of LUKE meter revenues received through credit- or bank-card payments.

**Parking Compliance**

Parking citation revenues may decline over time as the ease of parking regulation compliance improves through greater use of MKE Park, the acceptance of credit and bank card payments at meters increases and the benefits of “virtual” overnight parking stickers are realized.

**Current Ratio Remains Strong**

Cash reserves were up 10% in 2015 from 2014 to \$17.4 million. LRB calculates the Parking Fund’s current ratio (a measure of the department’s liquidity and financial vitality) at 3.4:1 for 2015, while the Budget Office cites 3.6:1. Both calculations are well above the Budget Office’s target of 2:1.

**Payment in Lieu of Taxes**

In addition to its projected \$16.6 million transfer the General Fund, the Parking Fund will pay a PILOT for use of City facilities of \$1.6 million. The Fund’s average annual PILOT payment from 2011 to 2015 was \$1,532,970.

**Parking Meter Revenue Decline**

Projected 2017 parking meter revenue is down 7.5% to \$4,768,200 from the 2016 Adopted Budget. Average annual parking meter revenue from 2011 to 2015 was \$5 million.

**Total Parking Fund Revenue Down**

Total 2017 projected Parking Fund revenue of \$40,790,574 is down 3% from the 2016 Adopted Budget. Average annual total Parking Fund revenue from 2011 to 2015 was \$43,584,454.

**Parking Fund Revenues**

Revenue Category	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Adopted Budget	2017 Proposed Budget
Parking Citations	\$23,097,923	\$22,158,694	\$21,344,212	\$19,466,196	\$18,643,025	\$19,000,000	\$17,500,000
Parking Structures	\$7,056,995	\$6,503,786	\$7,175,291	\$6,821,100	\$8,092,968	\$7,179,500	\$7,454,000
Parking Meters	\$4,937,172	\$4,972,236	\$4,982,267	\$4,996,818	\$5,140,894	\$5,152,500	\$4,768,200
Parking Permits	\$3,899,683	\$3,887,663	\$4,283,438	\$4,055,331	\$4,087,152	\$4,034,000	\$4,139,500
Towing - Vehicles	\$3,489,643	\$3,766,134	\$4,199,150	\$4,292,339	\$4,370,544	\$4,200,000	\$4,300,000
Towing - Disposal & Other	\$1,641,417	\$1,425,866	\$1,183,764	\$1,332,753	\$1,370,743	\$1,200,000	\$1,200,000
Parking Lots	\$21,427	\$20,291	\$30,959	\$34,465	\$26,955	\$40,000	\$30,700
Miscellaneous	\$608,485	\$740,858	\$1,114,865	\$1,184,190	\$1,464,576	\$1,200,000	\$1,398,174
<b>Total</b>	<b>\$44,752,745</b>	<b>\$43,475,528</b>	<b>\$44,313,946</b>	<b>\$42,183,192</b>	<b>\$43,196,857</b>	<b>\$42,006,000</b>	<b>\$40,790,574</b>