

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)

| | | <u>Projected</u> | <u>Actual</u> | <u>Variance</u> | <u>Comments</u> |
|---------------------------------------|-----------------|---------------------|---------------------|------------------|---------------------------------------------------------------------------------------------------------------------|
| 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 | |
|-------------------------------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------------------------------------------------------|
| 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 |

37% 44%