

# Parking & Transportation Advisory Committee Meeting

Tuesday April 1, 2014

1:30 pm, OM 340

## UNOFFICIAL MEETING NOTES

A quorum of the PTAC was not present at this meeting so the following Meeting Notes are an unofficial transcript of the topics that were discussed by the members present.

**Members Present:** Barbara Lewis, Ira Hyman, Kurt Willis, Brian Sullivan, Doug Adelstein, April Markiewicz

**Ex Officio Present:** Paul Mueller, Julia Gassman

### 1. Approval of February 27<sup>th</sup> Meeting Notes

A quorum of the PTAC members was not present so approval of the Meeting Notes was postponed until the next meeting. There was one correction to the Meeting Notes in the paragraph following the second Action Item regarding the potential for on-street parking to increase when parking rates are raised. Ira recommended that the university should work with the city of Bellingham to monitor any change in street parking around campus and seek measures to mitigate any impacts if identified. April will email the amended version of the Meeting Notes to the PTAC members before the next meeting.

### 2. Review and discuss the consultant's lot condition report to PTCI

April suggested that this item be postponed until Brian arrives since he would be discussing lot condition as he walked the PTAC members through the current and projected financial data he has been working on for months. April obtained an electronic copy of the Lot Condition report with the actual lot designations from Rick Benner the day before and had emailed it out to the PTAC members. She also brought extra paper copies in case they were needed.

### 3. Parking Services proposed fees and fines

April reported on behalf of Darin who was unable to attend the meeting that the classified staff unions (WFSE and PSE), and the faculty union (UFWW) have officially stated that they do not consider parking fines a mandatory subject of bargaining. As such, Parking Services can proceed in implementing those increases in fines recommended by the 2012-13 PTAC. Julia reported that the increases are in place.

### 4. Review and discuss Parking Services financial data - Brian

Brian handed out paper copies of the financial information and apologized for not getting it out to the PTAC sooner, but had been working on them up until the meeting. He referred everyone to the lot condition report and explained that the consultant assessed condition in each lot by counting the number of cracks. Lots were assessed as follows:

- Poor** Assumes all existing asphalt and subbase needs to be replaced. Lifespan of the lot is less than 5 years
- Fair** Assumes 50% of existing asphalt and subbase needs to be replaced. Lifespan of the lot is estimated to be 5 to 10 years based on current condition.
- Good** Assumes 20% of existing asphalt and subbase needs to be replaced. Lifespan of the lot is estimated to be 10 to 15 years based on current condition.
- Excellent** Assumes only seal coat is needed. Lifespan of the lot is estimated to be 17 to 24 years based on current condition.

Three lots are in Poor condition, 10 lots are in Fair condition, 16 lots are in Good condition, and 6 lots are in Excellent condition. The cost to replace the three Poor lots with new subbase and asphalt in the next 5 years will cost \$796,318. To replace the Fair Lots in 5 to 10 years will cost \$1,183,103 (factoring in 3% inflation based on the CPI). Replacing 50% the Good lots in 10-15 years will cost \$586,128.

Focusing on the Poor condition lots, Brian divided the replacement cost of \$796,318 by 5 to get \$159,264 that will be needed in revenues each year for five years to replace those lots. As the revenues come in they will be transferred to the Reserve fund until sufficient funds are available to replace the lots. He took that number and included it in his Parking Pro-forma FY 2012-2024 worksheet as the Renewal Expense cost starting in 2015. Brian stated there is currently \$180,000 currently in the Reserve Fund so he only put the \$159,264 expense through 2018, i.e., four years since funds from the Reserve would fund 2014.

Brian pointed out that the Renewal expense does not include sealing. Sealing the lots has been found to extend the life of them, but it has to be repeated every 5 years and costs \$0.65 per square foot. Brian did the calculations to determine whether it was cost effective and found it was not.

In the same worksheet in the Expenses section, Capital expenses starting in 2016 for \$338,793 are the debt service payments on a \$5 million dollar bond to pave the C lots. In 2022, Brian also added a \$1,172,119 capital expense for a parking structure, but reiterated it was a placeholder and he would remove it if the PTAC decided it was too far in the future to consider. To estimate the potential revenues from increased permit rates, Brian applied a nickel increase per day to each permit, regardless of lot assignment starting in the 2015-17 biennium. It was an amount we had discussed in fall quarter when envisioning what the average amount of increase in permit rates. A nickel increase per day in a G lot would increase the cost of the permit from \$0.96/day to \$1.01/day, equating to an increase in the price of an annual permit by \$18.25. That equals a percentage increase of 5.23 to the annual permit. Brian applied the nickel/day increase to all permits every year out to 2024.

Brian was asked to provide a budget sheet showing no permit increase so the PTAC had a baseline from which to evaluate changes to revenues and expenses over time.

**Action Item:** Brian will prepare a separate budget model of revenues and expenses that keep parking permit rates static.

April stated that since the PTAC is now a university standing committee it will have the continuity it has lacked in the past. Meeting each year will greatly facilitate its ability to make recommendations that are more in sync with the university's planning, budgeting, and union negotiation schedules. In the short-term we are making recommendations for the next biennium, i.e., 2015-17. We have also discussed more long-term plans such as paving the C lots, which Brian has factored in starting in 2016. Obviously, the further we plan into the future, the greater the uncertainty, but at least we are developing a process and procedures that will help us adapt our plans to accommodate changes as we move forward.

The second handout of Brian's was the updated budget report for Parking Services and included actuals for FY13, adjustments, and budget for 2014. At the close of FY13, Parking Services has a deficit of \$52,724. The adjustments include the removal of \$436,158 in expenses from Parking Services budget that the university has now assumed in response to the recommendations of the 2012-13 PTAC. An additional \$50,648 was also subtracted from Parking Services expenses to reflect Facilities Management taking over 80% of funding for the Sustainability position when the position was reclassified in January of 2011. Total reduction in expenses equaled \$486,806, resulting in Parking Services' projected budget for the end of Fiscal Year 2014 (FY14) showing a surplus of \$108,029.

As an auxiliary, Parking Services deposits all revenues into a Reserve Fund, from which operational expenses, as well as capital improvement expenses are paid. According to Brian, established business practice is to retain at least 40% of operational funds in the Reserve Fund at all times due to the cyclic manner by which Parking Services receives its revenues, that are not in sync with expenses. The \$108,029 is therefore the projected remainder after ensuring the Reserve Fund contains the mandated 40% of operating funds at the end of FY14. The approximately \$180,000 surplus currently in the Reserve Fund, when added to the projected surplus of \$108,029 would equal about \$288,029 at the end of FY14. Starting in the summer of 2015 (FY15), Brian has \$159,264 of those funds being used specifically for beginning to replace the poor condition lots.

Ira asked about the debt service paid over the last several years for the purchase of the Lincoln Creek Transportation Center. There was some uncertainty as to how long Parking Services revenues have been used, but Ira requested that we find out how long those annual payments have been made and the total amount paid. He recommends that the university reimburse Parking Services for the amount paid, which in turn may negate the need to raise permit rates for several years.

**Action Item:** Brian will find out how much Parking Services has paid on the Lincoln Creek Transportation debt service and will talk to Vice President Van Den Hul about whether those funds could be reimbursed to Parking Services.

Brian's third handout was a detailed listing salaries associated with positions in Parking Services.

There was a lot of discussion about the financial information and some confusion as well. The difficulty was connecting the data in the second handout to the data in the first, even though

Brian had put notes on each. He will go back through the handouts and provide footnotes or some type of notation that will enable us to see clearly how data from the second led to the calculations in the first. He will email the updated worksheets out to everyone in the next few days.

**Action Item:** Brian is to update the first two handouts with more detailed footnotes and email them out to the PTAC in the next few days.

Ira asked about the status of the other recommendations made by the 2012-13 PTAC. April said as of the end of January, Vice President Van Den Hul has communicated to all the unions and A.S. Board in our presentations to them that they are in progress. Brian offered to contact Vice President Van Den Hul and get an update on their status.

**Action Item:** Brian will contact Vice President Van Den Hul and get an update on the status of the other recommendations made by the 2012-13 PTAC and report back to us.

Meeting adjourned at 3:00 pm.

*Meeting Notes approved April 17, 2014.*