

MEMO

TO: City Council
FROM: Susan Pollay, DDA Executive Director
DATE: June 15, 2020
Re: DDA's Parking System COVID-19 Financial Recovery Strategies

Attached is a presentation made to the DDA's Operations Committee on May 27 and to the DDA Board on June 3. It details potential reductions to parking system expenditures for FY20 and FY21 in response to projected parking revenue shortfalls anticipated due to COVID-19 impacts.

Revenue impact projections estimate revenue losses of \$6M in FY20, and \$9.1M in FY21. This presentation outlines expenditure responses of \$3.4M for FY20, and \$11.4M for FY21. Taken together these impacts result in a potential 6/30/21 fund balance of \$7.3M which would be 29% of budgeted revenues for FY21.

The presentation highlights capital and operating expenditures of the parking system, setting forward potential actions that can be taken to reduce or defer costs. These identified changes uphold the DDA's responsibility to ensure the parking system remains self-supporting, that parking system debt service and operations obligations are met, and capital expenditures related to structural integrity and safety are made.

Please let me know if I may answer any questions about this report.

DDA Operations Committee
May 27, 2020

Exploring Potential
Responses to COVID-19
Impacts

A New
Reality... but
the basics
remain the
same



Decisions Grounded in the
Development Plan

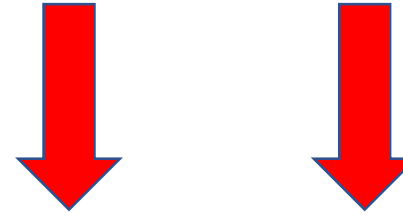


Understand Revenue Impacts



Develop Expenditure Response

Revenue & Expenditure Impacts thru FY23 Optimistic



Revenues	Actual FY18	Actual FY19	Budget FY20	Budget FY21	10 Year FY22	10 Year FY23
Original	22,153,554	23,330,844	24,904,600	25,006,600	27,452,700	28,036,576
Revenue Loss	-	-	(6,700,678)	(9,134,046)	(7,562,293)	(4,169,665)
Projected Revenues	22,153,554	23,330,844	18,203,922	15,872,554	19,890,407	23,866,911

Expenditures	Actual FY18	Actual FY19	Budget FY20	Budget FY21	10 Year FY22	10 Year FY23
Original	22,461,449	20,976,607	22,982,300	31,219,400	26,187,716	27,685,508
Adjust City 20%			(1,340,136)	(1,826,809)	(1,512,459)	(833,933)
Adjust Credit Card Fees			(335,034)	(456,702)	(378,115)	(208,483)
Adjust Capital Improvements				(5,197,500)	(2,195,000)	(2,558,000)
Total Adjustments	-	-	(1,675,170)	(7,481,012)	(4,085,573)	(3,600,416)
Adjusted Expenditures	22,461,449	20,976,607	21,307,131	23,738,389	22,102,143	24,085,092

Fund Balance	Actual FY18	Actual FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23
Beginning Fund Balance	9,790,887	9,482,992	11,837,229	8,734,021	868,186	(1,343,550)
Net of Revenues/Expenditures	(307,895)	2,354,237	(3,103,209)	(7,865,835)	(2,211,736)	(218,181)
Ending Fund Balance	9,482,992	11,837,229	8,734,021	868,186	(1,343,550)	(1,561,731)

FY20 Year End Projection

Revenues	Original (April) Projections	Updated Projections	Variance
Original	24,904,600	24,904,600	-
Revenue Loss	(6,700,678)	(5,975,300)	725,378
Projected Revenues	18,203,922	18,929,300	725,378
Expenditures	April Projections	Updated Projections	Variance
Original	22,982,300	22,982,300	-
City 20%	(1,340,136)	(1,195,060)	145,076
Credit Card Fees	(335,034)	(298,765)	36,269
Capital Improvements		(1,300,000)	(1,300,000)
Administration		(300,000)	(300,000)
Operations		(173,000)	(173,000)
Parking Operator		(175,300)	(175,300)
Total Adjustments	(1,675,170)	(3,442,125)	(1,766,956)
Adjusted Expenditures	21,307,131	19,540,175	(1,766,956)
Fund Balance	April Projections	Updated Projections	Variance
Beginning Fund Balance	11,837,229	11,837,229	
Net of Revenues/Expenditures	(3,103,209)	(610,875)	2,492,334
Ending Fund Balance	8,734,021	11,226,354	2,492,334

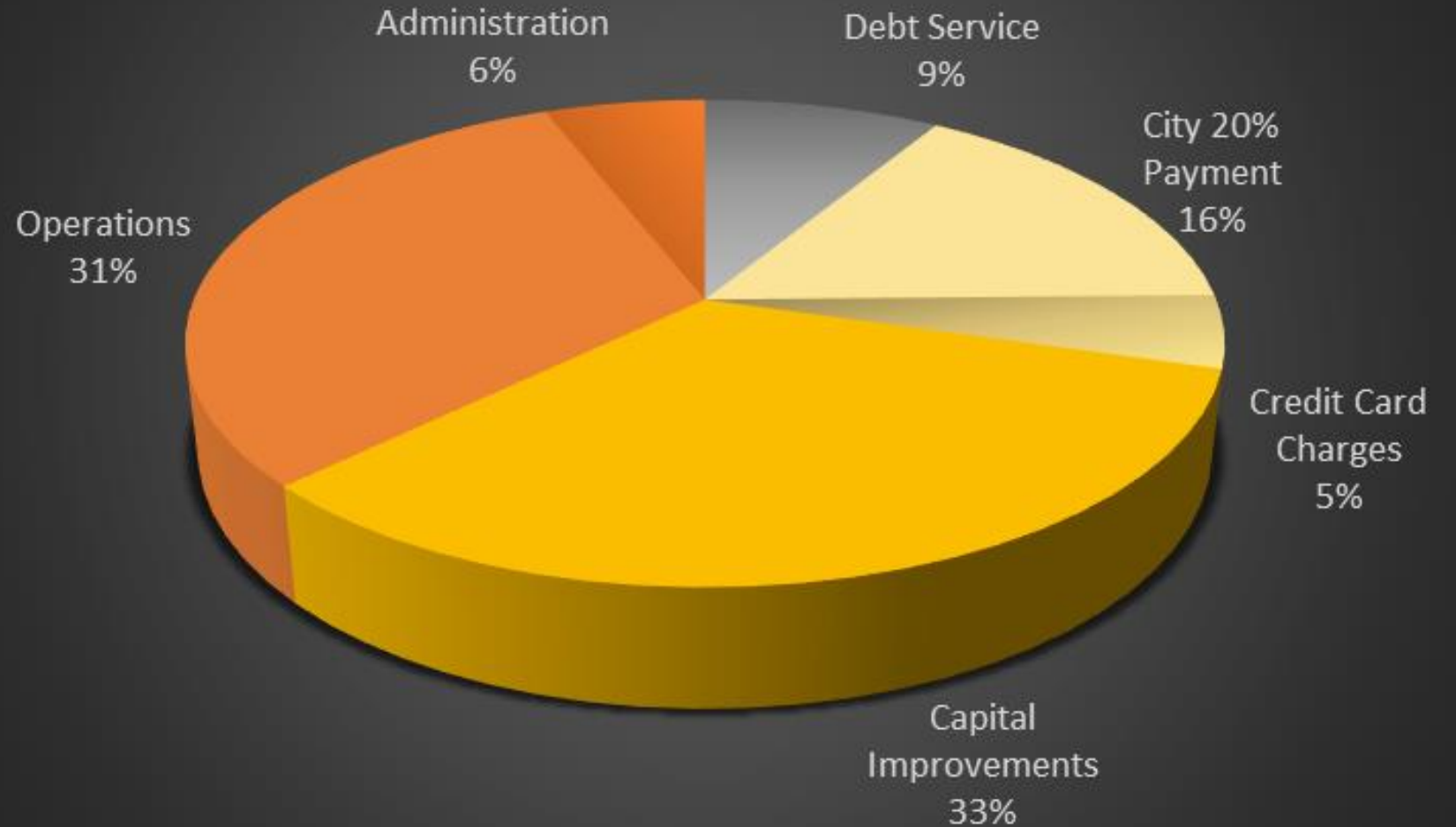
- Revenues – Includes actual revenue for April net of estimated uncollectable, stay home order thru June
- CIP – deferment of planned maintenance & improvements to parking structures, studies
- Admin – primary reduction GoPass grant
- Operations – across the board cuts to Q4 budget

Parking
System FY21
Budgeted
Expenditures

FY21 Budget			
	Category	Amount	%
	Debt Service	2,728,900	9%
	City 20% Payment	4,980,000	16%
	Credit Card Charges	1,500,000	5%
	Capital Improvements	10,395,000	33%
	Operations	9,760,300	31%
	Administration	1,855,200	6%
	Total	31,219,400	100%

Parking
System FY21
Budgeted
Expenditures

FY21 Budget



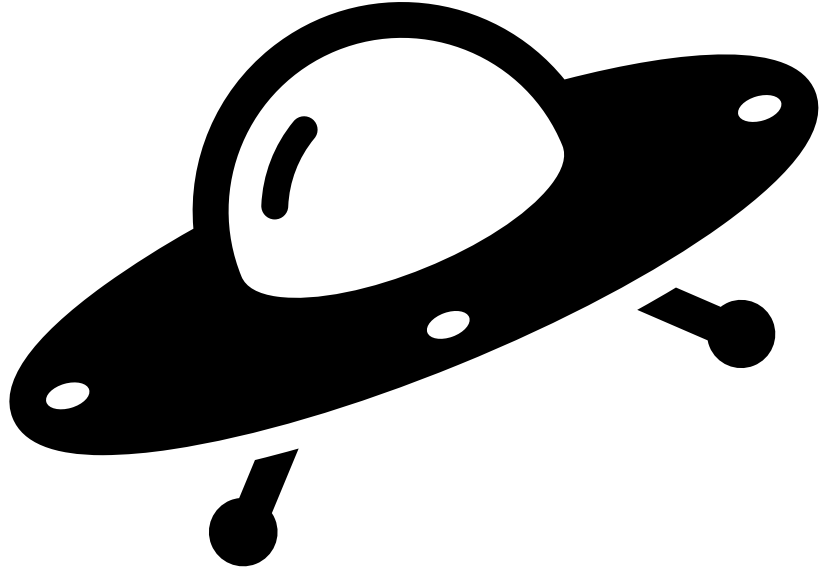
Parking System FY21 Expenditures Capital Improvements

Annual work is based on 20-year plan of repairs recommended by WGI Inc.

FY21 restoration and maintenance work was budgeted at \$3.4M

Worked with engineers to identify elements that are critical/urgent vs. those that can be delayed/deferred to future years.

Parking Capital Improvements	Original FY21 Budget	%
Carbon Neutrality	2,000,000	19%
Parking Equipment	3,500,000	34%
RPS office	500,000	5%
Software	50,000	0%
Restoration Various Structures	3,102,000	30%
EVCS	30,000	0%
Fiber	30,000	0%
Energy Assessment	200,000	2%
Curb Study	150,000	1%
Lighting Study	20,000	0%
Elevator Repairs	300,000	3%
Fencing	450,000	4%
General Repairs	63,000	1%
Total	10,395,000	100%

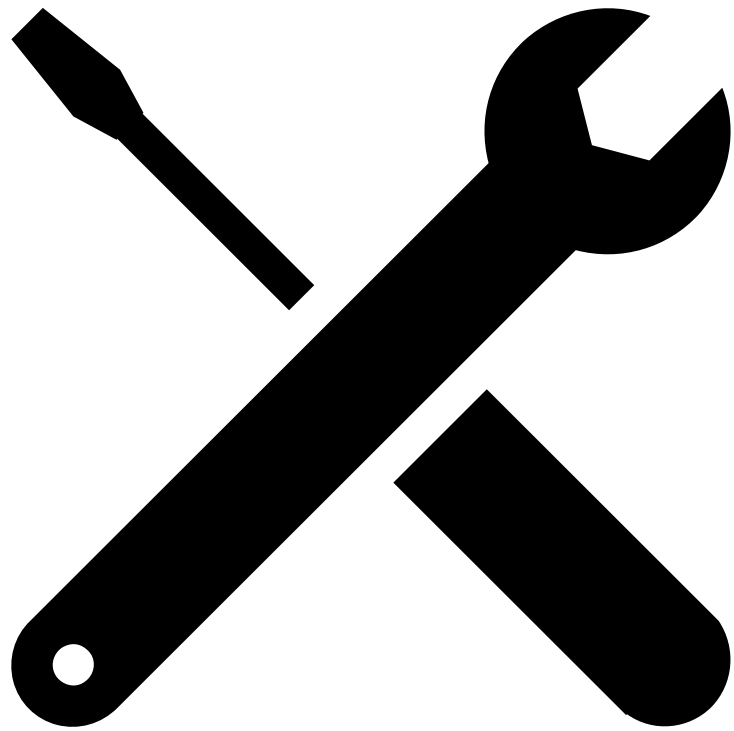


Capital Improvements Parking Equipment

Budgeted \$3,500,000 for FY21

- Board approved project budget of **\$1,584,500** in January 2020
- Purchase is critical/urgent in order to maintain operations.
- Working with dealer to get orders in as soon as possible and using FY20 funds for deposits.
- Anticipated installation summer & fall of 2020.
- New equipment will add automation and payment options across the system.

Potential Adjustment – (\$1,915,000)



Capital Improvements Annual Restoration

FY21 budget \$3,102,000

- Based on 20-year plan of repairs recommended by WGI Inc.
- WGI identified elements that are critical for structural integrity and safety vs. those that can be deferred to future years.

Potential Adjustment (\$1,802,000)



Capital Improvements Studies

FY21 Budget \$370,000

Move forward:

- Lighting study \$20K

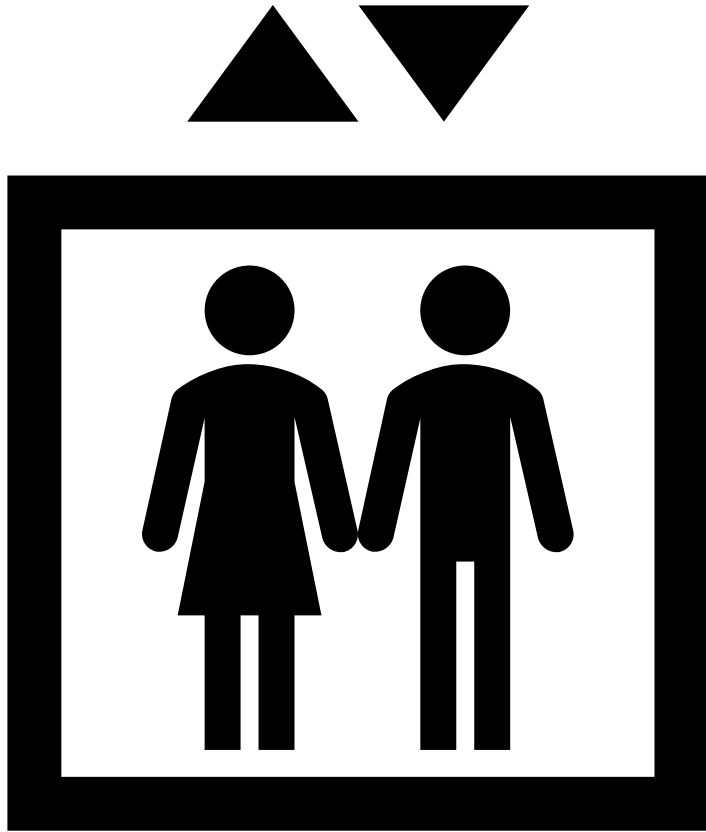
Defer:

- Curb Management Study \$150K

Eliminate:

- Energy Assessment \$200K

Potential Adjustment (\$350,000)



Capital Improvements Elevators

FY21 Budget \$300,000

- 4th & Washington – water resistant door package \$79,344
- Ann Ashley - water resistant door package for both cars \$129,347
- Ann Ashley - new canopies, ceilings, and flooring for both cars \$90,898

Potential Adjustment \$0

Capital Improvements Fencing

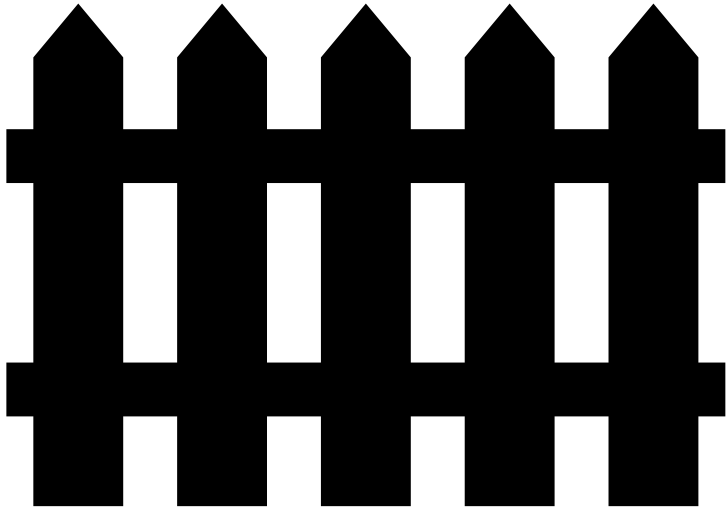
FY21 Budget \$450,000

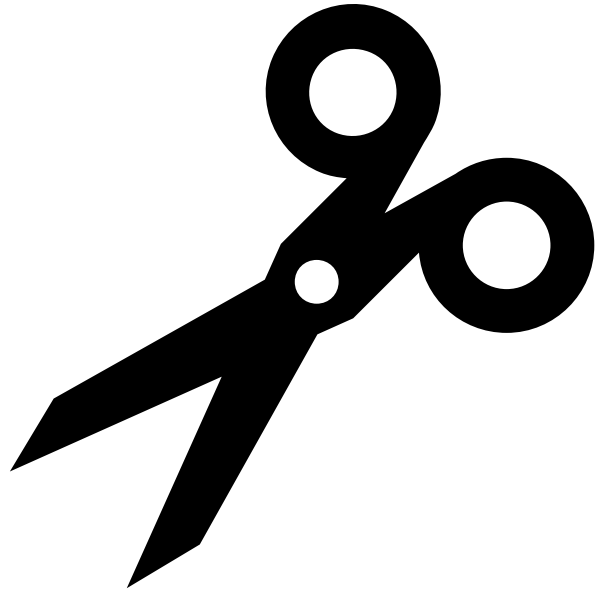
Anticipated work - no cost estimates yet

Forest structure levels below roof-top

System wide check for additional needs
and/or repairs

Potential Adjustment \$0





Other CIP

FY21 Budget \$2,673,000

Move forward:

- Software \$10K
- General Repairs \$63K

Defer/Reduce:

- Carbon Neutrality \$2M
- RPS Office \$500K
- Software \$40K
- EVCS \$30K
- Fiber \$30K

Potential Adjustment (\$2,600,000)

Parking System Capital Improvements Potential Adjustments

Parking Capital Improvements	Original FY21 Budget	Potential Adjustments			Adjusted Expenditures
		Reductions	Deferrals	Total	
Parking Equipment	3,500,000	(1,915,000)		(1,915,000)	1,585,000
Software	50,000	(40,000)		(40,000)	10,000
RPS office	500,000	(500,000)		(500,000)	-
Energy Assessment	200,000	(200,000)		(200,000)	-
Carbon Neutrality	2,000,000		(2,000,000)	(2,000,000)	-
EVCS	30,000		(30,000)	(30,000)	-
Fiber	30,000		(30,000)	(30,000)	-
Curb Study	150,000		(150,000)	(150,000)	-
Restoration Various Structures	3,102,000		(1,802,000)	(1,802,000)	1,300,000
Lighting Study	20,000			-	20,000
Elevator Repairs	300,000			-	300,000
Fencing	450,000		-	-	450,000
General Repairs	63,000		-	-	63,000
Total	10,395,000	(2,655,000)	(4,012,000)	(6,667,000)	3,728,000

Parking System FY21 Expenditures Operations

FY21 Budget \$9,760,300

- RPS Personnel cost reduction of 31%
- Other RPS expenses reduced 20%
- Maintenance and Professional Services reduced 25%
- Overall reduction 22%

Potential adjustment \$2,140,000

Parking Operations	Original FY21 Budget	Potential Adjustments	Adjusted Activities
RPS Personnel	5,107,900	(1,560,000)	3,547,900
RPS Administration	628,300	(94,200)	534,100
RPS Maintenance	1,353,000	(203,000)	1,150,000
RPS Management	175,000	(26,300)	148,700
RSP Sub Contractor	545,000	(81,800)	463,200
RPS Equipment	145,000	(21,800)	123,200
Tally Hall	212,500		212,500
Rent/Utilities/Insurance	823,000		823,000
Maintenance/Supplies	198,400	(49,600)	148,800
Professional Services	415,000	(103,800)	311,200
Software Maintenance	157,200		157,200
Total	9,760,300	(2,140,500)	7,619,800

Parking System FY21 Expenditures Administration

FY21 Budget \$1,855,200

- Overall reduction 18%
- Anticipate reduced GoPass reimbursement
- Reduced Payroll Contingency by 50%

Potential adjustment \$324,800

Parking Administration	Original FY21 Budget	Potential Adjustments	Adjusted Activities
DDA Personnel	648,000	(50,000)	598,000
Other Personnel	68,000	(17,000)	51,000
Grants	879,100	(220,000)	659,100
Professional Services	88,600	(17,700)	70,900
Rent & Utilities	42,000		42,000
Software Maintenance	29,000		29,000
Misc	100,500	(20,100)	80,400
Total	1,855,200	(324,800)	1,530,400

Parking System FY21 Net COVID-19 Impacts

		Budget	Impacts/Adjustments			Adjusted	
			Reductions	Deferrals	Total	Activities	%
Potential Revenue Impact		25,006,600	(9,134,000)		(9,134,000)	15,872,600	
Potential Expenditure Adjustments							
City 20% Payment		4,980,000	(1,826,800)		(1,826,800)	3,153,200	
Credit Card Charges		1,500,000	(456,700)		(456,700)	1,043,300	
Capital Improvements		10,395,000	(2,655,000)	(4,012,000)	(6,667,000)	3,728,000	
Operations		9,760,300	(2,140,500)		(2,140,500)	7,619,800	
Administration	0.1	1,855,200	(324,800)		(324,800)	1,530,400	
Debt Service		2,728,900			-	2,728,900	
Total Expenditures		31,219,400	(7,403,800)	(4,012,000)	(11,415,800)	19,803,600	
Net		(6,212,800)			2,281,800	(3,931,000)	
Beginning Fund Balance		11,226,400				11,226,400	
Net		(6,212,800)				(3,931,000)	
Ending Fund Balance		5,013,600				7,295,400	29%