

## **MISSOULA PARKING COMMISSION**

### **Minutes**

**February 6, 2020**

A Regular Board Meeting of the Missoula Parking Commission was held on **Wednesday February 6, 2020**, at the **Jack Reidy Conference Room, 140 W. Pine**, Missoula, MT 59802 at **12:00 p.m.** Those in attendance were Board members Joe Easton, JR Casillas, Pat Corrick, and John Roemer. From the Missoula Parking Commission (MPC) were Tiffany Brander, Parking Services Director and Jodi Pilgrim, Parking Services Manager. Also in attendance were Jim Galipeau, JCCS, Ellen Buchanan, MRA and Casey Jones, Desman Design Management.

- 1. Call to order – Joe Easton**
- 2. Introductions**
- 3. Public Comments & Announcements**
- 4. Adjustment(s) to the Agenda - None**

**5. Approval of Minutes - Board Meeting held January 8, 2020**

Pat Corrick moved to approve the minutes from the board meeting held January 8, 2020. John Roemer seconded the motion. The minutes from the regular board meeting held January 8, 2020 were unanimously approved.

**6. Communications and Presentations**

**a. Desman Design Management, Casey Jones, Senior Parking and Mobility Consultant**

Casey Jones has been in the Parking industry for 25 years. He has been in a public servant role similar to the director role with a focus on economic development and community development. The progress MPC has made is admirable.

Desman Design Management (DDM) is a national firm of architects, engineers, parking planners and consultants. Casey worked with the president of DDM in building the sustainability framework they are using in the industry today. He was drawn to how they view relationships and take the long-view. The firm covers every aspect of parking and mobility from conceptualizing to designing to engineering and, on the back end, restoration and operations. They are full spectrum, which allows them to meet their clients and partners where they need to be. In this case, they are working to do the financial and marketing feasibility for the Drift project, which will help with bonding for the project. They will be looking at parking demand and synching that up with current occupancy and what the project will drive in terms of demand. DDM will do an over-the-shoulder analysis of the parking garage drawings for the Drift.

Casey asked for any questions about the project or how the financial analysis will work.

There were no questions. Tiffany Brander stated that we are not required through the development agreement to hire anyone to look at the garage drawings, but this is a way we can take one more step to make sure everything is as it should be with this project.

John Roemer asked if MPC is using DDM for a fee. No, DDM is contracted with Log Jam.

## **7. Financial Statement**

Jim Galipeau provided an incomplete draft of dashboards and full report. The City moved the \$192,000.00 reserve. It is now shown in the restricted assets area and not in cash and investments.

The accrued city contract was taken out in December. John Roemer stated that he saw it accruing in September. Jim mentioned it accrued then, but has now been released.

Cash and investments show the accrued merchant fees have not been pulled out yet. Available cash is \$1,041,000.00. John asked what JCCS assumes will be the true up on the accrued merchant fees estimation. Jim stated that there isn't much of true up.

Revenues for December are \$331,000.00. Lease revenues in December are higher due to monthly, quarterly, and semi-annual billings. Expenses look big partly due to meter expenses, which we will go over later. All together there were \$140,000.00 in expenses. Net income for December was \$190,000.00. Year to date is \$840,000 compared to \$458,000 last year. The bottom line net income year to date is \$362,000.00 compared to \$65,000.00 last year. This is an increase across the board.

Pat Corrick asked if revenue was down in November, December, and January due to winter. Tiffany explained that it is generally really slow after Black Friday, which is reflected here, but compared to last year at this time there was less Mercantile construction. Library construction workers are generally able to park in free zones. The decrease in revenue can be attributed partly to reduced construction parking and partly to weather.

Jim noted that meter warranty, merchant fees, and meter system all get combined for meter expenses on the main statement in the amount of \$45,000.00 for December. November meter system was only \$95.00 because the merchant fee was paid in December. Also, in October there were two months paid, but every month was covered. Tiffany explained that the second payment in October was for an invoice for service dates May 1 – May 31. We had a credit balance and some invoices that weren't applied to it. The May bill was one. It is in a different fiscal year, so we'll need to make those adjustments. Jodi will follow up with Brenda about this.

Jim explained that we have new sets of warranties totaling \$40,000.00 in September and \$70,000.00 in December. Those costs get spread out over time, but right now the monthly warranty expense is \$15,993.00. We are amortizing that expense over the warranty period. Meter system fees went up to \$9,240.00 monthly. In July, \$24,000.00 was the monthly fee for the 3 meter categories. As of December they are \$35,033.00. This is \$10,000.00 higher than the beginning of the year. Our meter revenues year to date are \$654,245.00 with costs at \$180,998.00.

Joe Easton asked for Tiffany's opinion on that. Tiffany explained that it is not surprising. The difference in the meter fee is \$5.00 per month per machine to continue to have all of the services that we have. When we added license plate recognition (LPR), we had a one year grace period where they didn't charge us the \$5.00 fee. For the meter loan, we included most of our warranties for seven years within that, and now we're seeing all of the warranties for everything we've added since then – LPR and the gating equipment, FlexPort – having the ability to do permits online, plus our enforcement. Tiffany went on to explain that we will likely see our meter fees go down as our Passport numbers go up. We are at about 30% for Passport utilization and that is 30% of our meter revenue that isn't charging us around \$0.30 per transaction. The cost increase is large, but we look at it as the cost of providing those amenities.

John asked if our expense ratio is up 2% over last year, what can be expected next year. Jim said it is not going to go down. Probably up from 27% to 32%. Pat asked what the national average is. Casey stated that ours is higher than the national average, but we are asking our system to perform at a higher level and to be integrated in a way that some cities don't invest in. Our provider is probably at the high end of where they can be. Some cities that have a similar infrastructure do not buy meters because they are shifting to online mobile payment systems.

Jim mentioned our personnel expenses this year are down over last year. He believes our system takes fewer people. Tiffany clarified that we haven't reduced our workforce. The meters do provide a better customer service experience. It's more reliable and saves our staff time through email alerts, etc. It is also a safer collection environment for our staff. We are paying the cost to do business in the way that we need to do business.

Joe asked if our warranty ever expires. Tiffany answered that meter warranties are 7 years and the gating equipment warranties are 3 years before renegotiation. Jim stated that from a cash flow stand point they are all paid. It is just a matter of how we expense them over time.

Joe asked for further questions. There were none.

## **8. Director's Report – Tiffany Brander**

Tiffany informed the Board that she met with representatives from Baker Tilly to discuss MPC bonding capacity and how establishing a maintenance reserve might affect our bonding capacity. She indicated that Baker Tilly provided estimates for repayments of 20, 25, and 30 years. At this point we are looking at projected project amounts of between 7.2 and 10.6 million dollars. These are based on tax exempt bonds, which we know we don't want to do. Tiffany will ask for a new analysis with different rates. Ellen Buchanan stated there is almost no spread right now. Tiffany wants to make sure we're going taxable. Tiffany was asked to look into how a reserve account would affect bonding capacity, and if we were to take out almost \$200,000.00 from our operating, how it might affect bonding. The response was that it won't affect bonding capacity. It will just look positive because if anything major happens and those funds are needed, the board can vote to move them back in to operating.

There were no questions on bonding capacity. Tiffany recommended that we consider moving forward with implementing the maintenance reserve policy at the next board meeting in March. A draft has been sent out to everyone with the board packet.

Park Place utilization – we have converted 23 lease spaces in to hourly spaces as of Monday. All of the signs are up, and our enforcement team is providing additional notifications to lease holders this week. Over the next month or two we will track utilization and anticipate a positive effect. People are excited for more hourly spaces. Pat Corrick asked how ROAM is doing on utilization. Tiffany stated that most of the time we're seeing more than 50% in the hourly. Lease holders are utilizing their spaces.

Open recruitments – we hope to be fully staffed by the end of February. We have completed our maintenance interviews and will have someone hired by the end of this week or next week.

There was a hole in the top slab of Bank Street which has been repaired. We have been working with DCI Engineers to look at additional points of concern that they noted as well as working on a plan of priorities for repairs for Bank Street. It is currently fully open to the public. We had one day of lost revenue. There was very little to no impact on our revenue for the structure being under repair for the day as there were only two spaces blocked off and both were free time limited accessible spaces.

First Night update ridership – Ridership is down to 326 riders this year. The program over all was down to 1000 people. Tom Benson will be re-assessing the amount of their request for future years.

Maintenance plan - we need an analysis and maintenance plan for all of our garages. The Downtown Master Plan (DMP) provided us a maintenance program for facilities that are already where they need to be. For those to be useful to us, our structures need to be repaired and brought up to that level. Tiffany has started working on an RFQ for engineering services for structure evaluations and maintenance programs. We are hoping to select a firm to perform inspections and evaluations, look at any urgent action items and prioritize those for us, and create life cycle plans and 5-year program development for a maintenance plan per structure. There will be different needs at Central Park than at Park Place, ROAM, or a newer structure. Pat asked who the RFQ will be distributed to. Tiffany responded that we have to follow City procurement policies, so we will post it to our website. Currently on the panel for interviews are Tiffany, Brian Cook from City Engineering, and Matt Lawson from City Facilities. Tiffany would like one of the board members join the panel. The RFQ should be ready for publishing by the end of the month. It just needs to go through the City Clerk's office and the City Attorney's Office. We should have someone secured by spring so we can move forward with proposals for the FY21 budget.

Joe asked Tiffany to give highlights of their meeting with the Mayor and Dale at the beginning of the week. Tiffany explained that with the change in leadership, Joe stepping in as chairman, Tiffany, Joe, Dale Bickell, and Mayor Engen met to talk about priorities. One of those priorities was jurisdictional expansion and how that might look. They also talked about the need for MPC to move forward with being a strategic partner in development. There was discussion regarding the possible need to have our jurisdictional boundaries be the city limits, to include the airport and other residential areas. They also discussed our bonding capacity and our current technology – how it can be used to better support parkers and downtown employees. Joe mentioned the next garage. MPC, and our bonding capacity at this point, will not likely be used to contribute to the costs of the Drift. Where will we spend our money and what does that planning process look like? The DMP identified several locations, some of which are Downtown. Before that conversation, we have to make a decision and proceed with jurisdictional expansion. The low hanging fruit is just to expand to the Hip Strip and the University area. We should

also discuss Riverfront Triangle, Sawmill District, and Hospital campus. It would be a change of enforcement, access and influence requiring a significant outreach to residents.

John's concern is that we would not have the resources and staff to do the expansion. Joe mentioned just drawing the new jurisdictional line on the map to be able to study the areas to determine the management. John thinks growing incrementally is important. Ellen asked if the parking jurisdiction has to be contiguous. Joe stated no, there can be pockets. Ellen mentioned the Sawmill district as potential low-hanging fruit. There have been mixed messages in the Hip Strip area. Tiffany stated that we will never get 100% buy in, but it feels the most positive that it has ever been.

Joe asked for any questions. There were none.

## **9. Action Items**

### **a. Approval to proceed with camera system install through Systems Northwest in an amount not to exceed \$79,800.00**

Tiffany stated that Jodi has been working with procurement for operational cameras for Central Park and Park Place. This was a part of our 2016 Strategic Plan. We discussed it as well with our 2020 budget planning. We have received proposals from (2) companies. We have selected the proposal from Systems Northwest. This is a step toward allowing us to move to 24/7 gates down in all of our facilities. The cameras will show all of the gating systems in these two structures as well as all elevator towers, and the entire top deck of the Central Park garage. Our maintenance team and other staff will be able to access the video feeds through an app. There will also be motion detection reporting. The cameras do clear night views and day views. They are also easily maintained. We are asking for approval to move forward in an amount not to exceed \$79,800.00

Pat asked if it will include any circulation. No, the cameras will only cover gating equipment and stairwells.

John Roemer motioned in support of the Missoula Parking Commission's strategic plan goals, I move the MPC Board to approve the Systems Northwest proposal for camera installation in Central Park and Park Place, in an amount not to exceed \$79,880.00. JR Casillas seconded the motion.

Joe commented that he saw the other bid and it was a significant gap. There is always the concern when there is a substantial gap whether the low bid is a responsible bid or an accurate bid. Since Systems Northwest does have experience with the City and references from the other two agencies, Joe feels that they did understand the request, responded responsibly, and it is an accurate cost. Joe asked for other comments or questions about the motion. Called for the question. None opposed.

The motion to approve the Systems Northwest proposal for camera installation not to exceed \$79,880.00 was unanimously approved.

## **10. Non-action Items - None**

## **11. Setting of next meeting (March 5, 2020, Jack Reidy Conference Room) and adjournment**

Respectfully submitted,

Jodi Pilgrim  
Parking Services Manager