



A Regular Board Meeting of the Missoula Parking Commission was virtually held on **Tuesday, April 13, 2021** at **12:00 p.m.** Those in attendance were Board members Joe Easton, Glenda Bradshaw, Pat Corrick, Peter Walker-Keleher and JR Casillas. From the Missoula Parking Commission (MPC) were Tiffany Brander, Parking Services Director and Jodi Pilgrim, Parking Services Manager. Also in attendance were Jennifer Cooper, Executive Director of the International Choral Festival, Debra Stately-Graham from the Montana International Choral Festival, John Corwin from the Missoula Downtown Partnership, and Jim Galipeau and Brenda Peyton from JCCS.

1. **Call to order**
2. **Introductions**
3. **Public Comments & Announcements - None**
4. **Adjustment(s) to the Agenda - None**
5. **Approval of Minutes**

- a. Board Meeting held March 9, 2021

Glenda Bradshaw motioned to approve the minutes. JR Casillas seconded the motion. The minutes from March 9, 2021 were unanimously approved.

6. **Communications and Presentations - None**
7. **Financial Statement**

- a. **JCCS Monthly Financials Review – Brenda Peyton**

Jim Galipeau mentioned the main thing to note on the balance sheet is under restricted assets, we now have the operations reserve account - \$192,129.00 and the maintenance reserve account - \$194,100.00. Operation reserve and maintenance reserve is no longer reflected in useable cash balance.

For liabilities, in accrued interest there is a negative number because that payment normally gets paid in March, but got paid in February this year. Next month that will go back to normal. Available cash calculation starts with cash and investments number - \$1,194,076.00 from the balance sheet and then adjust it for various things to get to a useable cash number. The adjustments are for accrued City contract, merchant fees, bank interest. The City contract is only actually taken out once or twice a year. JCCS accrues it on a monthly basis for tracking and it all gets trued up at the end of the year when the City does the audit process. At this point there is approximately \$770,000.00 of useable cash for the Parking Commission.

The income statement shows \$1,467,000.00 revenue year to date through February 28. Budget was \$1,614,000.00. MPC is about \$600,000.00 down in revenue from prior year to date.

Expenses year to date are at \$910,000.00, budget was \$1,129,000.00. The only expense item that is over prior year to date numbers is the meter expenses. Meter expense has to do with merchant fees and warranties that come in different stages. The expense is not a monthly cash outlay, it is an amortization of warranty expenses covered over the years.

Net income from operations is \$576,000.00 compared to a budget of \$484,000.00 through February 28. Income from operations is what we look at most because it is a number we have control over. Net loss year to date is at \$74,000.00. Budget was for \$168,000.00.

March is when COVID really hit last year, so we will probably start seeing our numbers compared to the prior year a little bit different.

Glenda Bradshaw asked about the electric expense of ROAM – is there a way to add solar there to offset the monthly expense? Tiffany Brander asked Pat Corrick about solar potential. Pat stated that they could look at installing solar. There are potentially tax credits. You have to have an inverter and be able to get the power from the roof to the parking unit. We could get some quotes on what it would cost.

There were no other questions.

Tiffany offered a reminder about the difference between the maintenance reserve account and the operations reserve account. The maintenance reserve account was set aside by the Board, so it would be an action of the Board to move those funds in the event of an emergency or something similar. The operations reserve account is based on bonds and it is not one that we want to touch for any reason. The maintenance reserve account is specifically for maintenance on our structures and facilities. There is a policy linked to how that money is used and how it is refunded.

8. Director's Report – Tiffany Brander

Tiffany updated the Board on the recruitments. MPC's new Admin II is starting on April 19. We have a full office staff now. MPC's new Enforcement Officer will start in June. We have also had some movement in our maintenance department and will start some recruitments this week with the hope of having a full maintenance staff by June.

We currently have no agenda items for our May meeting.

9. Action Items

- a. **Montana International Choral Festival Funding Request - \$5,000.00** Tiffany Brander explained the funding request for the upcoming festival. In prior years we have supported this organization and funds were used for a shuttle service. She handed it over to Jennifer Cooper.

Jennifer stated that this is the 35th anniversary festival. The festival is set for July 13-16, 2022. Jennifer is hoping that by 2022, with COVID vaccinations, etc. Missoula will be ready to get back out there and celebrate. In 2019 MPC supported the Choral Festival shuttle. The festival runs Wednesday – Saturday. There is a choir crawl directly after Out to Lunch on Wednesday that goes to different choirs at different locations. In 2019 MPC helped with a shuttle bus that ran every 15 minutes from Adams Center parking lot to Downtown. This was hugely successful. They are asking for the same support in 2022. Jennifer asked if Debra Stately-Graham had anything to add. Debra had nothing to add, but asked if anyone had questions about the festival.

Tiffany asked Jennifer to clarify the request for one \$2,500.00 in one year and \$2,500.00 in another year. Jennifer explained that they are a tri-annual festival. They ask for either lump sum or funding spread over the two years in between.

Glenda asked if the money is earmarked for the shuttle, but if the shuttle isn't feasible due to COVID, is there a different plan for the \$5,000.00 contribution. Jennifer explained that if the money is not used for a shuttle, they would come back to the Board regarding how to use the funds to benefit each organization or they would look at pushing the festival back a year.

Pat Corrick stated that this request lines up with our mission. A possible solution if the festival was postponed for a year, would be to tie the money to the bus service so it is not used for

something else. Joe agreed. We have reviewed requests in the recent past on how they directly reflect our mission. Transportation in and throughout downtown is in line with our mission. He certainly wouldn't want our financial support to be used to buy t-shirts. The transportation part is important to MPC.

Pat moved that MPC provides the \$5,000.00 payment to the Choral Festival with that condition that it is used specifically for bus transportation and if there is delay in the festival the funds be held. Glenda seconded the motion. Joe asked for any questions. Peter Walker-Keleher asked what the amount of the 2019 request was and if there has been a comparable request that has not been approved by our Board in the past. Joe explained that there are other similar dollar sized that the Board has not granted that didn't relate to traffic or traffic mitigation or parking mitigation or other transportation goals. Jennifer explained that in 2019, MPC supported the Choral Festival with a \$4,000.00 grant. They are asking for \$5,000.00, but they would appreciate any amount that would fit within our budget. Joe explained to Peter that MPC has a line item in the budget to cover grants and contributions. With a roll call vote, the motion was unanimously approved.

b. FY22 Permit Rates

Tiffany explained that this is a continuation of our annual rate review discussion from last month. She asked if Joe wants to do public comment now. Joe asked that Tiffany introduce where we are and then we will do public comments.

Tiffany opened a spread sheet with FY21 projected and budgeted numbers. To the right, the most current projects are shown. Scenario 1 has no rate increases, Scenario 2 has rate increases starting July 1, and Scenario 3 has rate increases starting in October. Tiffany reviewed that the increases from last year were deferred due to the pandemic and that all increases shown on the projection scenarios are in the amounts that were approved last year. All 3 scenarios provide with a coverage ratio that fits within our required bond coverage. Since the City hasn't started budget process yet, we don't have a solid expenditure number. The regular yearly increases are included – Union increases and City contract increases. Any other funds that we weren't sure about, we used a projected number or a budgeted number from FY21. Staff recommendation would be to move forward with Scenario # 1 with a further review to take place in October with any increases to take place in January. This gives our incoming director a chance to be familiar with our system and to make a recommendation.

Pat Corrick asked for the proposed lease increases from last year. Tiffany pulled up the spreadsheet that showed the majority of areas to increase \$5.00 per month. There were 4 areas that would go up by \$10.00/month and Woody and New Park would go up \$15.00/month. At the time these were based on utilization and oversell goals. She also showed the updated spreadsheet that shows the last time we increased leases. The majority of increases to leases were in 2017, with a few increases in 2018.

Pat asked for a current schedule of oversell in each lot. Tiffany highlighted the "Above/Below/Actual" column. Most of our areas do have availability in them. Glenda asked, in column G, what are temporary spaces? And has column H been updated? Tiffany explained temporary lease spaces are spaces that MPC is leasing on a temporary basis due to COVID. A good example is Woody Lot. It is central to the City and County facilities. Many of those workers were considered essential workers and were coming in to Downtown throughout the pandemic. They were not on the waitlist for spaces in that area, but needed parking. It is a way for us to help those workers and temporarily over lease the spaces. And, yes, column H is updated.

Pat is generally in favor or not having a rate increase at this point, but overselling. Do we need to work with a parking consultant to find out how some of our lots can be oversold? Tiffany

explained that the problem right now is that we are making calls and attempts and we do not have people that want the spaces. Particularly in Park Place and ROAM, the only waiting lists we have left are business wait lists and, because of our bond restrictions, we cannot over lease to businesses in those areas. We don't have individuals on the waiting list. If a business does call us, we explain that we do not have business spaces, but if they have employees that want spaces the employee can acquire a lease. Tiffany brought back up the lease projections spreadsheet and explained that column W shows the goal for oversell percentages. These came from the Supply and Demand portion of the Parking part of the Downtown Master Plan.

Glenda is generally in favor of waiting for rate increases. She noted that businesses want to see the parking structures utilized and there seems to be a big need for employee parking Downtown. Is there a way to solve for both of those things by maybe having an employee rate for some time to encourage utilization? Tiffany stated that there is a policy portion that would need to be discussed, but we could definitely discuss. She will go back and put together some information for everyone about this.

JR Casillas asked about the stagnant waitlist – does that mean there are not a lot of additional people trying to get added to the waitlist? Tiffany explained that there are not a lot of people trying to get added and there are not a lot of people accepting spaces when we call.

Joe asked if people keep their priority when they decline a space. Tiffany said yes. Pat stated he thinks they should go to the bottom of the list if they decline a spot. Joe asked for the history behind that policy. Tiffany stated that it is the way it has always been done. She mentioned when we move the waitlists in to T2 from Excel spreadsheets, it will allow us to make changes. The system within T2 is to keep people on the list. We can put something together for review in order to change this practice. We have not had the staff to make the change to waitlists in T2. Hopefully with our full staff we will be able to get back to it.

Joe stated our goals are to sell out our lots and we want our lots to be full. He asked for Tiffany to bring back the spreadsheet with number of spaces and utilization. Joe wants our leases to be more elastic than they are. His gut feeling every year is to max out oversell. That's not reality on the ground. Column C is actual physical spaces and Column E is the number we have sold in that lot. Standard goal for oversell is 15%-25%. Joe's opinion is that we should take advantage of some of the low hanging fruit to work through the wait lists.

Tiffany mentioned that, before we raise rates, something we could do is implement a fee to be on the waitlist. We could put out an email to everyone in T2 that we have emails for stating that we have available spaces. Part of the problem in the last 6 months is that even when we spend staff time calling through our waitlists, no one takes the spaces.

Joe asked John from Missoula Downtown Partnership what he thinks community response would be to kicking people off of the waitlist or charging a waitlist fee. John stated that he thinks they should go to the bottom of the waitlist or pay to have a spot on the waitlist. Tiffany stated that a large portion of why we don't move people within a list is in Excel. Her current recommendation would be to implement the waitlist in T2 to improve the waitlist procedures.

Glenda proposed an option to explore in the meantime where MPC makes waitlist holders inactive if they've been called and declined a space as a way to save staff time. Joe asked if there is a policy change that needs Board action. Tiffany stated it is a procedure change that she can make. Pat would like to see proposed language next month. Tiffany stated that if we wanted to implement a fee for the waitlist, it would be necessary to do board action. Tiffany will put together a plan to change procedures and next board meeting we can discuss a policy change or fees. Pat doesn't think there should be a fee to hold the spot, he just thinks it should be that people are moved to the bottom of the list if they decline to take a space.

Peter pointed out that dealing with a bunch of people that may or may not want a spot seems like a cumbersome process. He believes that, through a fee or through moving those that don't need a space right now to the bottom, we could cycle the high demand waitlist customers to the top. He would be in support of any changes that would allow MPC staff to reach those customers that are indeed waiting for a spot.

Joe refocused the Board to the discussion of lease rates.

Pat moved to delay the lease rate increases that were approved in March of 2020 to be reevaluated in October 2021.

Glenda asked to clarify the motion if reviewing in October means we would begin the review in October or would it be in front of the board in October with a recommendation from the Director.

Pat stated reevaluate in October with action to occur in November.

Glenda Bradshaw seconded the motion.

Joe asked for board discussion on the motion. There was none. He opened it up for public comment.

Athena Lonsdale did not have a comment on rate increases, but did comment that a fee for being on the waitlist that could be moved toward the lease when one becomes available is a good idea. Maybe it could be called a deposit instead of a fee.

Jodi read the following 2 emails aloud:

"To Whom it may concern,

I noticed the three new hotels in the downtown all removed potential or actual on site parking. The Merc has a huge proportion of the Front Street lot which they get 24/7. I recommend that these businesses all pay for 24-hour parking rates and not the business day rates everyone else pays.

The Wren wiped out half or more of its surface parking. The Merc filled in a basement almost an entire city block in size that could have been parking. The Mariot had a parking garage the entire area of the site and a ramp to grade and they removed all of it.

These are not common downtown developments as they all received substantial MRA funds and some of them petitioned to have the tax rate lowered after they received the MRA funds lowering their contributions to the MRA that is paying for the money they received.

To me it is foolish to remove substantial parking or parking potential and assume the city will provide it at the detriment of all other business in the downtown. If Hotels want public parking in quantities greater than the majority of business in the downtown they should pay for that time at market rates and demand.

I also do not think any of the hotels should be allowed more than 10 stalls each in any parking garage or lot. That way they are not taking premium parking from other businesses and citizens. ROAM built two stories of parking and I know you received one of them. That was a more responsible development for it. The three Hotels are just passing the buck onto other downtown businesses.

My bill is \$85 for a stall for 9 hours of use. This means the hotels should be paying \$226.66 per stall per month as they want them for 24 hours a day. That should help pay for any cost increases the Parking commission may be considering.

Respectfully,

David V. Gray"

"Dear Members of the Missoula Parking Commission,

As the former and current owners of the Historic Florence building downtown, we took interest in your March 22nd letter informing leaseholders that the annual rate review is April 13th. Our understanding is that the MPC determined at the last review to postpone a rate increase indefinitely. Based on your March 22nd letter we assume this means that lease or permit rates will now be considered annually at the MPC Board meeting each April. If this is not the case, please let us know. Further, as a matter of process and in the public interest of transparency, why is the specific

MPC rate recommendation(s) scheduled for consideration by the board not disclosed to the public in the meeting notice? Many in the public may view it as deceptive not to be informed in advance, since the considerations of the board is what drives public interest, comment, support or opposition. If the board were to make a decision to increase the rate 30%, for example, and customers knew about that rate increase in advance of the “annual rate review meeting,” clearly that advanced procedure and notice to the public would solicit greater participation and comment. We respectfully suggest this process question be considered at the April 13th meeting.

As we expressed in 2020, a lease rate increase anytime in the foreseeable future would be a mistake. While ALPS fully funds the parking cost of our roughly 70 downtown workers, our understanding is that our approach is an exception and that the majority of downtown workers personally fund all or a portion of their cost to park downtown. Make no mistake, raising lease rates is a tax on downtown Missoula workers. Also commercial property owners with parking dependencies, especially in downtown Missoula, are already under tremendous pressure as the “work from home” reality during COVID transitions toward an uncertain future, and therefore an uncertain demand around commercial space. Finally, a rate increase would hurt downtown retail businesses as they attempt to get back on their feet post-COVID.

We reviewed the MPC financials and given the operating profit of ~\$250K, and positive cash flows ~\$200K, both while going through the pandemic with decreased parking activity, and having given tenants a one month rent abatement in May, it is difficult to understand why this topic is being debated.

Most important, other municipalities around the country have invested in tools to bring efficiencies and revenue to vacant space utilization. When leased spaces are empty it frustrates potential customers who would patronize downtown businesses and deprives the City from the opportunity to “double dip”, earning daily parking revenue from vacant leased spaces. These tools are widely available. Why are these efficiency aspirations not the focus rather than perennially revisiting a rate increase on the back of Missoulians and Missoula businesses? We have smart and hardworking people at the MPC and we encourage you to give them an efficiency mandate along with the time and tools necessary to execute that objective, rather than simply raising taxes on the average Missoulian.

Thank you for the opportunity to express our views.

Sincerely,

*David Bell
ALPS*

*Thomas Taylor
Owner, The Florence”*

There were no additional questions or comments about the motion. Peter asked about when it would appropriate to address the comments received in the emails that were not related to this specific motion. Tiffany explained that last year at our April Board meeting, we implemented a new policy that sets an annual rate review. Within that policy, it states that the Parking Commission staff will gather data and do an analysis for the months of November through January. They will then present the information to the Board in March and any votes will occur in April. It is not necessarily to set increases, it is to review rates. This year there is not increase to approve since the increase schedule was approved last year. In the future we will provide the schedule of proposed increases or changes to lease holder in addition to the notification.

Through a roll call vote, the motion was unanimously approved.

10. Non-action Items

11. New Business

a. New Business

i. Parking Services Director Recruitment Update

The Director position should be posted soon. Tiffany will stick around to help with the process as long as needed to help. Her best guess is June. Joe asked about the salary band. Tiffany stated that that will be a conversation Joe has with Angela about the recruitment

strategy. Currently the max is about \$20,000.00 more than when we did our previous recruitment. The high range ends up at around \$109,000.00/year.

There were no questions.

b. Old Business

Pat asked to revisit the cost allocated to folks relative to construction Downtown on the agenda for next month. Tiffany will add that. She stated it is currently \$10.00/space/day, not just for construction worker but for service folks as well.

12. Setting of next meeting (May 11, 2021, Jack Reidy Conference Room or via virtual meeting) and adjournment

Respectfully submitted,

Jodi Pilgrim
Parking Services Manager