



CITY OF POMONA

VEHICLE PARKING DISTRICT

STAFF REPORT

Date: March 9, 2017 Agenda Item No. : 03-09-05

To: Chair and Commissioners of the Vehicle Parking District

Submitted by: Kirk Pelsner, Deputy City Manager *KP*

Prepared By: Joaquin Wong, Senior Project Manager

**Subject: APPROVAL AND RECOMMENDATION TO THE CITY COUNCIL
ADOPTION OF THE VEHICLE PARKING DISTRICT (VPD) 2017/2018
FISCAL YEAR (FY) BUDGET**

SUMMARY

Recommendation – That the Vehicle Parking District (VPD) Board of Parking Place Commissioners approve the proposed Fiscal Year 2017/2018 VPD Budget in the form substantially submitted for recommendation to the City Council for adoption.

Fiscal Impact – The proposed FY 2017/2018 budget projects revenues at \$1,014,043 and expenditure at \$974,519. The estimated difference of \$39,524 is attributed to the amended VPD parking fee structure, operational time changes and projected sale of VPD Lot 5. Additionally, the VPD will have completed its five (5) year loan payments (\$80,720 per year) for the purchase of the parking payment kiosks. The VPD CIP budget of approximately (\$651,600) will be carried over from the appropriation year (FY 2013/2014).

BACKGROUND

In February 2017, the VPD Budget Sub-Committee met with staff to review the draft FY 2017/2018 VPD budget (the Budget). Chair Mladinov was the only VPD Sub-Committee member available and provided input and questions on the Budget which staff was able to clarify. Vice-Chair Diaz, who also serves on the Budget Sub-Committee was unable to attend the meeting and will review the budget with the entire Commission.

The FY 2017/2018 budget reflects anticipated revenues from daily (day and night) parking fees, parking permit sales, special event parking permits sales, rental property income and perspective land sales. VPD budget expenditures account for operational expenses which generally include staffing, equipment, property maintenance, procurement of equipment and services, insurance, consulting fees, legal services, and general administration costs. The proposed budget provides a comparison of the current year's amended budget estimate (FY 2016/2017) and the proposed budget FY 2017/2018.

DISCUSSION

FISCAL YEAR 2017/2018 BUDGET

The proposed FY 2017/2018 budget denotes positive revenue of approximately \$39,524. The estimate is mainly attributed to the following factors:

- 1) Anticipated parking revenues (both permit and daily parking sales), approximately 15 % to 20% higher.
- 2) The potential sale of VPD Lot 5 which account for approximately \$186,690 of next year's revenues. The VPD Commission will need to officially approve the sale of property at a separate meeting before recommending the sale to the City Council.
- 3) An approximate reduction of \$80,720, due to the completion of loan payments for the parking payment kiosks (Five yearly payments of \$80,720).

Major cost increases include:

1. Approximately \$20,000 for Controllable Contract Service (original FY 2016/2017 budget was \$69,600. Amended to \$85,400 for economic / parking structure consulting services). The total proposed budget for this line item is \$90,000.
2. An approximate \$18,000 (total FY 2017/2018 budget amount of \$17,750) for anticipated legal services due to sale of VPD lots and development agreements.

VPD parking revenues help to maintain the operating budget. Operational variation occurrences during the course of the Fiscal Year may require a budget amendment be processed, which would be presented to VPD Commission for approval and recommendation to the City Council for adoption.

2017 /2018 OPERATING BUDGET

The FY 2017/18 operating budget reflects a decrease of approximately \$78,702 in comparison to the amended FY 2016/2017 budget. The reduction in overall operating costs is largely attributable to lower equipment costs.

New expenditures for FY 2017/2018 are mainly attributed to economic feasibility consulting (continued and expanded scope) and parking operations consulting.

CAPITAL IMPROVEMENT PROJECT CARRYOVER

Though this expenditure is not listed on the 2017/2018 budget, it will be carried forward from the previous year's budget. VPD capital improvement projects are administered by the Public Works Department and include

- Rehabilitation of parking lots
- Solar lighting
- General parking lot repairs (lots 6, and other lots)
- Tree trimming
- Irrigation, sign, trash enclosures and misc repairs

The parking structure Capital Improvement Budget is accounted for under a separate “City” budget line item.

CONCLUSION

The FY 2017/2018 VPD budget estimates positive revenue of approximately \$39,524. This is based on amended parking fee revenues, sale of VPD Lot 5, and elimination of parking equipment lease payments. The proposed budget is a conservative estimate of revenues and expenditures. It is probable that the VPD may require a mid-year budget amendment pending the outcome of completed negotiations for the sale of VPD lots and development of a parking structure.

Attachment: Proposed VPD FY 2016/17 VPD Budget

Proposed Year Budget Justification Form - Revenue

Fund:

Dept. / Division / Prog Number Dept. / Division / Program Name:

Fund Number	Division Number	Object Number	Project Number	Account Description	2016-17		2017-18		2017-18 Proposed Justification
					Amended Budget	Budget	Amended Budget	Budget	
230	9200	40014	00000	SB211 Pass Thru	758	758	758		
230	9200	40630	00000	Property Taxes	12,000	12,000	12,000		
				All Property Taxes	12,758	12,758	12,758		
230	9200	40188	00000	Parking Space Rentals	504,000		603,400		Estimate is base on FY 2016-2017 parking space revenues (\$489,400 Western U + \$114,004 All other combined parking permits = \$603,400)
230	9200	40190*	00000	Rentals - Property	23,400		12,000		Rental income pertains to tenancy at 400 W. Second Street (Gist Building). The second floor lease is \$2,000 per month and is currently month to month. In 2014, the first floor tenant paid three years in advance (\$81,000) and the lease terminated at the end of August 2018. Since this property may potentially be sold as part of the Maya Cinema project, it is difficult to calculate the extent to which the tenants will remain. As a conservative revenue estimate, six months was used to calculate the lease revenues (\$2,000 x 6 months = \$12,000).
230	9200	40224	00000	Investment Earnings - Pooled Cash	5,400	5,400	5,400		
230	9200	40246	00000	GASB 31 Adjustment	1,615	1,615	1,615		
				TOTAL	534,415	622,415			
230	9200	40110	00000	Parking Meter - Cash	77,000	77,500			Proposed revenue estimate is based on approximate current revenues received (\$62,000) plus a 25% increase (\$15,500). The increase is anticipated due to current more restrictive free on-street parking, and increasing demand for off-street parking spaces (\$62,000 + \$15,500 = \$77,500)
230	9200	40114	00000	Parking Meter - Credit	115,440	114,680			Proposed credit card revenue estimate is based on approximate current revenues received (\$94,000) plus a 22% increase (\$20,680). The increase estimated is slightly less than that of cash daily parking sales as the VPD has to pay a credit card processing fee that reduces the revenue amount (\$94,000 + \$20,680 = \$114,680)
				ALL METER PARKING	192,440	192,180			
230	9200	40380	00000	All Other Revenues	-	-			
230	9200	40404*	00000	Sale of Land / Property	435,000	186,690			Estimate is based on the sale of Lot 5 at \$15 per sq. ft. X 12,446 sq. ft. the approximate size of Lot 5 = \$186,690.
230	9200	80400	00000	Sale of Capital Assets					
230	9200	80479	00000	Gain on Sale of Land					
				All Other Financing Sources	435,000	186,690			
				DEPARTMENT REVENUE TOTAL	1,174,613	1,014,043			

the following sub-programs:

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					Amended Budget	Proposed Budget	Amended Budget	Proposed Budget	

Proposed Budget Justification Form - Line Item Detail

Fund:						Dept / Division / Prog Number		
Fund Number	Division Number	Object Number	Project Number	Account Description		2016-17 Amended Budget	2017-18 Proposed Budget	2017-18 Proposed Justification
230	9200	51012	00000	Earnings and Benefits		207,451	207,451	\$1,365 Increase in hourly as the part-time Intern and Admin Assistant I will no longer be paid from the Cultural Art Budget.
230	9200	51040	00000	All Overtime - Non Sworn		11	-	
230	9200	51030	00000	Hourly		28,290	29,655	
230	9200	51039	00000	Retirement / Termination Payout		0	0	
230	9200	51080	00000	Total Buybacks		5,000	5,000	
Total - Staffing						240,752	242,106	
230	9200	52060	00000	Office Supplies		1,700	1,500	For general office supplies, such as paper, ink/toner, stationary, e-memory, paper and pencils.
230	9200	52063	00000	Postage		1,200	1,000	For general cost of postage, Fedex, UPS and other carriers
230	9200	52064	00000	Printing & Copying		1,450	1,500	Increase in cost for Agenda packet reproduction and general office copies.
230	9200	52080	00000	Other Expense		28,350	27,350	\$1,350 for Commission and Committee meeting meals and water /sodas. \$26,000 for additional security camera installation in the VPD lots and other security measures.
230	9200	52162	00000	Advertising - Personnel		0	0	
230	9200	52182	00000	Credit Card Fees		12,760	12,800	Credit card processing calculation based on 6 month expenditures (\$6,384 x 2 = \$12,800 / 12 months).
230	9200	52285	00000	Controllable Contract Services		85,400	90,000	The following estimate is based on the following: \$30,000 for economist/feasibility consulting, \$15,900 for parking operations and budgeting consulting (Parking Structure), \$15,300 parking kiosk yearly extended warrantee, \$8,800 parking kiosk servicing yearly contract, \$5,000 parking kiosk connectivity (electrical communications) & \$15,000 parking repair engineering.
230	9200	52304	00000	Public Art		2,500	2,500	For installation, maintenance, repair of new and existing art work in VPD lots
230	9200	52350	00000	Departmental Expense		2,250	2,000	For VPD Commission and Ad-Hoc Committee meetings (meals and beverages), Commissioner business cards, and shirts
230	9200	52380	00000	Vehicle Maintenance / Repair		2,000	2,000	Occasional Maintenance of VPD Van
230	9200	52381	00000	Equipment Maintenance / Repair		3,192	2,500	For parking kiosk, equipment upgrades, repairs and change outs. Revenue collection equipment repairs (coin counter) and collection cart maintenance or replacement.
230	9200	52402	00000	Small Tools and Equipment		250	250	Tools and parts for parking kiosk minor (staff maintained) maintenance and repairs
230	9200	52403	00000	Computer Related Acquisitions		5,888	1,200	In FY 2016-17 VPD acquired a portion of four new computers to replace the outdated units. For FY 2017-18 VPD will purchahse one Surface Pro tablet communication device
230	9200	52430	00000	Other Supplies / Materials		4,500	4,500	For parking permit laminates, parking kiosk paper rolls, printer ink/toner, kiosk batteries and small parts and equipment for VPD operations
230	9200	52581	00000	Office Equip Maintenance / Repair		1,000	1,000	For copier, typewriter, laminator and other small office equipment maintenance and/or repairs
230	9200	52583	00000	Parking Lot Maintenance		26,000	26,000	For general parking lot maintenance and upgrades and repairs of capital equipment
230	9200	52585	00000	Property Maintenance and Repairs		5,000	5,000	For general parking lot maintenance
230	9200	52586	00000	Parking Lot Sweeping		43,000	43,000	Per contract with the DPOA
230	9200	52711	00000	Landscape Maintenance		30,075	30,075	Per Contract with the DPOA
230	9200	52750	00000	Traffic Signs		7,500	5,000	For replacement and additions of parking lot and street signs, due to aging s and to increase sign
230	9200	52992	00000	Tenant Improvement Allowance		0	0	
230	9200	53218	00000	Closing Cost Expenditure		7,500	7,500	Pertaining to the sale of Lot 5 and possibly Lot 2
230	9200	53905	00000	CIP Admin Allocation		1,200	2,000	Slight increase due to future parking structure design and construction
230	9200	58035	00000	Building Permits		640	650	For possible parking lot improvements
Total Controllable Expenses						273,355	269,325	
230	9200	52160	00000	Pub, Print Ord / Res / Legal		3,000	3,000	For public notices required by specific Commission actions such as sale of land, issuing of parking notices and lease agreements, etc.
230	9200	52200	00000	Legal Expense		12,250	30,000	An approximate \$17,750 increase in legal fees is anticipated for parking structure and land sale work
230	9200	52572	00000	Lease Equipment - City wide		80,720	-	2017 was the last lease payment to lender of the park payment kiosks.
230	9200	53222	00000	Taxes - PBID		154,280	143,074	VPD portion of Special Tax assessments for parking lots and real property in the Downtown.
230	9200	53915	00000	Property Tax Admin Fee - SB2557		175	175	

Proposed Budget Justification Form - Line Item Detail

This program includes the following sub-programs: