



## ISSUES AND CONSTRAINTS

The primary issues and constraints identified by the study team are summarized as follows:

### Over Promised

The OPMD entered the parking management contract with the City with broadly stated goals and objectives, but without a defined business plan to achieve those goals and objectives. The approved budget for FY2004 was unrealistic at the outset, and was exacerbated by accelerated repayments to the City's General Fund.

### Under Managed

We believe the OPMD Board and staff should have exercised greater oversight and due diligence in identifying the full impact of the OPMD's assumption of management responsibility for the garages. Considering the lack of direct Board and staff experience in understanding and managing municipal parking systems, outside expert resources should have been called upon to more fully understand the full impact of such a major assumption of new responsibilities for the organization and its staff. The prevailing attitude in assuming control of the garages seems to have been a "we can do it better than the City" approach.

### Parking Operator Contract

The existing contract with AMPCO is outdated and is structured in a way that is not in the best interests of the OPMD. Based upon our observations and interviews with key staff and with AMPCO staff, we believe the current parking operator has not been forthright or pro-active in partnering with the OPMD to develop creative solutions and innovative ways to improve parking system performance. Based upon information obtained in our most recent site visit, we believe AMPCO management staff may actually be undermining the OPMD's efforts to contain costs and improve services.

### Aging Parking Access and Revenue Control Equipment (PARC)

The existing PARC equipment is outdated and obsolete. We understand that card readers for monthly parkers are extremely unreliable and prone to mechanical failures. Likewise, during our field observations we notice two instances where transient ticket dispensers failed to operate in the Schoolhouse Garage, causing backups and customer frustration. The current system is sub-standard and cumbersome in its ability to generate accurate, meaningful and reliable audit and activity reports.

### Lost Tickets

Somewhat related to the lack of adequate PARC equipment is the issue of lost transient tickets. A high number of lost tickets represent a "red flag" for any parking operation, indicating potential abuse and/or lost revenue. Because the existing PARC is so out-dated, there is no way to fully gauge the extent of abuse currently occurring.



## INITIAL THOUGHTS AND SOLUTIONS

### Over Promised

Acknowledge it and make the appropriate “course corrections” as quickly as possible. The first step to this is to make the necessary mid-year budget amendment to the current FY 2005 budget. The next step is to develop a realistic budget for FY 2006.

### Under Managed

The OPMD Board of Directors or a sub-committee thereof needs to exercise greater oversight of the parking system. The Board needs to set policy, provide direction and maintain staff focus. A key aspect of this is to require staff to provide detailed monthly, quarterly and annual revenue and expense, and operational reporting. We strongly believe that an annual “State of the Parking System” report needs to be developed for benchmarking purposes. Parking management focus needs to shift from being “reactive” to being more “pro-active” in identifying problems early and making necessary adjustments. OPMD operations staff should be empowered and encouraged to gain greater parking management knowledge through networking and through attendance at regional and national parking association workshops and conferences.

### Parking Operator Contract

The existing parking operator contract should be completely overhauled and the process to RFP for a competitive multi-year contract should be undertaken as soon as possible. OPMD needs to establish a new set of rules to make its parking operator more accountable. The new contract should be structured in a way that puts more emphasis on a collaborative partnership agreement so that the parking operator is lock-step with the overall goals of the parking system – not at odds with it.

### Aging Parking Access and Revenue Control Equipment (PARC)

The OPMD needs to plan, budget and invest in a comprehensive new PARC system for all of the three garages. As part of this process, OPMD needs to proceed carefully and deliberately with the possible use of automated pay-on-foot equipment. Based upon our observations and experience with automation retrofits throughout the country, we believe a system-wide move to automation is not necessarily a “silver bullet” solution. The cost of such a system can be significantly higher than currently anticipated due to the fact that vendor quotes typically do not include additional soft and hard costs that are required to adequately retrofit older facilities for new state-of-the-art technology.



### ACTION ITEMS IDENTIFIED BY THE STUDY TEAM

#### Immediate Action

- Revise the current mid-year budget with the City and request additional appropriations to balance the FY2005 budget. These mid-year budget adjustments are not uncommon, and have in fact been required in previous years when the parking system was under City management control.
- Re-negotiate interim contract extension with the current parking operator to provide short-term continuity and to reduce personnel costs as much as possible until an RFP and new contract can be developed.
- Initiate better monthly / quarterly / annual reporting. Carl Walker provided staff with an example and template for an annual “State of the Parking System” report. These reports need to include both financial and operational reviews and benchmarking.

#### Near-term Action

- Develop realistic FY 2006 parking budget in order to reduce or eliminate the need for a mid-year budget amendment.
- RFP for new multi-year parking operator contract.
- Plan, budget and install new PARC equipment as part of the FY 2006 budget.
- Research ALL impacts and costs associated with automated pay-on-foot parking technology before moving ahead with installation.

#### Long Term / Ongoing Action

- Support ongoing staff training and development: (International Parking Institute, California State Parking Association, South West Parking Association, etc.)
- Continue to benchmark performance and results, and plan for the future.
- Make future “course corrections” when necessary, based upon informed, well researched decision- making.