



ALBANY PARKING AUTHORITY
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7/11/2018

**TO: Honorable Kathy Sheehan, Mayor,
Members of the Albany Common Council,
And City of Albany Budget Director, Michael Wheeler**

SUBJECT: 2018 1st Quarterly Report

In accordance with the terms of the Comprehensive Parking Meter Licensure and Management Agreement and the Parking Enforcement Management Agreement (The Agreement) between the City of Albany and the Albany Parking Authority (APA), and in conjunction with City Treasurer's office, this report provides revenues, expenses and the impact and effect of the parking meter program and the parking enforcement activities upon on-street availability for the first quarter of 2018.

Additional information including audited financial statements, board minutes, debt schedule, and budget reports can be found here: <https://www.parkalbany.com/public-documents>

For the first quarter of 2018 the parking meter revenue was \$660,043 with expenses of \$592,325. This compares to first quarter of \$649,781 and expenses of \$700,740 in 2017. Revenue has stayed relatively consistent from 2017 to 2018 and continued to be stable in the 1st Quarter. Overall, revenue projections for meters are still expected to hit their budgeted gross amount.

One of the primary goals of the meter program is to encourage long term parkers to park in garages and help create turnover in street parking so that businesses can attract customers. To this extent, short term meter use continues to expand and the three downtown garages have seen a slight increase in monthly parkers. While overall monthly permits remains steady we are seeing a 22% increase in daily parkers in the first quarter of 2018 compared to the same period in 2017.

More and more of our customer base uses credit cards for their meter transactions. In 2015 credit card use was 77.01% of all transactions, in 2016 this rose to 78.31% and in 2017 this rose to 79.7%. For 1st Quarter 2018 credit card transactions accounted for 78.93% of all transactions.

In June of 2017, the Parking Authority installed 12 new meters on State Street between Eagle and Broadway. These meters are “pay by plate” instead of “pay and display”, allowing for the utilization of the ParkAlbany app to pay from a customer’s cell phone. The test phase has been considered a success and the Authority has begun the installation of new meters and the app City-wide. This would mean an investment of \$890,000 in new meters and technology. Overall use in the test area is up 1-2% compared to 2016. Currently the app has been downloaded 5877 times since inception and is used on average 90 times per day, with the mobile app accounting for 31.79% of all usage.

The Authority continues to partner with the Downtown Business Improvement District to offer free parking after 5pm at all garages during the week, as well as free weekend parking. This has been a boon to downtown businesses and a way to fight the stigma that there is “no parking” in downtown Albany.

The APA is required to maintain a 1.5 debt coverage ratio and continues to maintain excellent debt coverage ratios for its debt service. In 2015 the APA had a debt coverage ratio of 1.71, in 2016 it was 1.76, in 2017 it was 2.36 and currently the APA is budgeted to have a 2.06 debt coverage ratio for 2018. The current outstanding bond principal is \$13,375,000 and interest is \$2,866,035.

In 2015 the APA took over the management of the Parking Enforcement Operations from the Albany Police Department. Since that time, ticket revenue is up and administrative costs have remained flat. In 2015 ticket revenue was \$3,298,406, in 2016 ticket revenue was \$3,531,046 and in 2017 ticket revenue was \$3,413,575. Projected ticket revenue is budgeted as \$3,800,000 and as of the first quarter 2018, ticket revenue is on pace to meet projections.

For the 1st quarter of 2018, enforcement revenues totaled \$938K on 14,957 tickets paid. 17,493 tickets were issued, 1745 tickets were voided (\$192K), 5869 tickets were adjusted (\$193K) and APA charged \$241,682 in reimbursable expenses. (Some of the adjustment data includes administrative corrections, rather than PVB/City Court initiated adjustments.) This compares to 1st quarter revenues of \$1.038M on 16,957 ticket payments, with 18,819 tickets issued, 2082 tickets voided (\$150k), 6493 adjusted (\$200K) and \$304,972 in APA reimbursable expenses in 2017.

Although this is about a 10% drop in revenue compared to 2017, this is a bit illusory. 1Q 2017 collections were robust, and January 2018 was our last month of collections problems based on the failures of our parking ticket vendor. Once it was finally able to fix some of the problems it caused, overall collections rose sharply beginning in February. March was the highest month of collections since 2010, and collections has remained strong in the 2nd Quarter. Most importantly, under the new provider, the total ticket fine issuance amount has remained relatively consistent with previous years. It is important to note that ticket writing has remained strong in spite of some open positions, due in part to a change in staffing times. Once at full strength, we expect ticket writing to increase.

As reported earlier, and as hoped, this spike in collections offset the dip in revenue collection in 3Q and 4Q of 2017, rather than having that dip create a permanent loss of revenue. Delays from the vendor regarding delinquent collections has continued to be addressed by the company and has led to only a partial re-initiation of long term collections of all outstanding tickets, including ones on which collection has already been attempted. However, approximately 40K delinquent tickets are in active collection, about 20k more will be acted upon over the next 8 weeks, and by

September 1, we expect that the ticketing and collections vendors will begin regular and more systematic collections efforts on the most recent and most collectible tickets. The APA and the Treasurer's offices continue to monitor and evaluate the ticketing vendor's performance, and though we are happy to report improvements, more improvement is expected. Overall, there are 78,000 open tickets with a value of \$7.7m. A significant portion of these were sent to collections in the previous 2 years and on which we do not expect successful collections. However, as previously stated, a large number remains, on which we expect to successfully collect this year.

The partnership between the City and the APA is one that continues to be beneficial for both the City and those who live, work and play within the City's limits.

If you have any questions please don't hesitate to ask.

Sincerely,

Kevin O'Connor

A handwritten signature in cursive script, appearing to read "Kevin O'Connor".

Chairman, Albany Parking Authority

Darius Shahinfar

A handwritten signature in cursive script, appearing to read "Darius Shahinfar".

Treasurer, City of Albany