



ALBANY PARKING AUTHORITY  
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CHAIRMAN OF THE BOARD

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EXECUTIVE DIRECTOR

10/3112018

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

SUBJECT: 2018 3rd 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 the 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 3rd 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 3rd quarter of 2018 the parking meter revenue was \$650,456 with expenses of \$514,410. This compares to third quarter revenue of \$650,040 and expenses of \$627,849 in 2017. Revenue has stayed relatively consistent from 2017 to 2018 and continued to be stable in the 3rd 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 on-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 3rd 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 3rd quarter of 2018 credit card transactions accounted for 79.3% 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 finished the installation of new meters and the app City-wide. As of the 3rd quarter of 2018, the app has been downloaded 12,982 times since inception and is used on average 566 times per day, with the mobile app accounting for 21.8% 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 \$9,875,000 and interest is \$2,197,899.54.

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 3rd quarter of 2018, ticket revenue is on pace to meet projections.

For the 3rd quarter of 2018, enforcement revenues totaled \$876,865 on 14,275 tickets paid. 17,819 tickets were issued, and 1,696 tickets were voided (\$175K). Because of a large number of administrative adjustments made to correct tickets, accurate figures on the number of Parking Violation Bureau adjustments cannot at this time be produced. The APA charged \$295,175 in reimbursable expenses in the 3rd quarter of 2018. This compares to 2017 3rd quarter revenues of \$694,000 on 11,818 ticket payments, with 17,429 tickets issued. Because of the changeover in June 2017, meaningful figures of both voids and adjustments cannot be obtained for this time period. There were \$250,796 in APA reimbursable expenses in the 3rd quarter of 2017.

Although this is nearly a 30% increase in revenue compared to 2017, this is somewhat misleading. 3Q 2017 collections was lower than expected due to a lag during the changeover in ticketing software, and 3Q 2018 revenue may prove to be a bit higher due to some of the reinvigorated collections efforts. Overall, revenue was down a bit from its spring highs, but due to the initiation of collections on the most recent tickets, a spike in revenues that began in September, is also bearing fruit in October. It is important to note that ticket writing has remained strong.

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, with all pre-June 2017 delinquent tickets in active collection, and all post-June 1,

2017 delinquent tickets now on a regular collections schedule with our contractor. The APA and the Treasurer's Office continue to monitor and evaluate the ticketing vendor's performance, and though we continue to be happy with their improvements, more improvement is still needed and expected. That being said, overall, the biggest issues over the past year have been addressed and we are now working with them on implementing smaller system adjustments to enhance performance along with more fully implementing pay by plate. There are currently approximately 81,000 open tickets with a value of about \$8,300,000. Again, a significant portion of these were sent to collections in the previous 2 years and on which we do not expect successful collections. Additionally, now that all pre-June 2017 tickets have been fully migrated to the new system, and referred to collections, we have started to be able to make the evaluations of which tickets can be written off, and which ones we may be able to successfully collect on. And, as previously stated, a large number of open tickets still remain, on which we expect to successfully collect in the months ahead.

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.

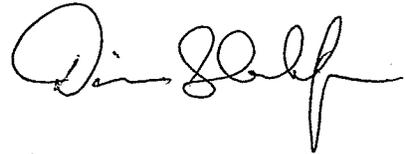
Sincerely,

Kevin O'Connor

Handwritten signature of Kevin O'Connor in black ink, featuring a stylized 'K' and 'O'.

Chairman, Albany Parking Authority

Darius Shahinfar

Handwritten signature of Darius Shahinfar in black ink, featuring a stylized 'D' and 'S'.

Treasurer, City of Albany