

**PARKING ADVISORY BOARD  
MEETING MINUTES  
September 11, 2012**

**Members Present:**

Don Olsen, Chairperson  
Drew Smith  
Mike Craighill

Leticia Moore  
Steve Bruggeman

Tami Kelling  
Will Gilbert

**Members Absent:**

Bob Carr

**Others Present:**

Chris Mallow  
Megan Hodson

Tina Volek  
Jamie Ogger

Lisa Harmon  
Donna Huston

**PUBLIC COMMENT**

Donna Huston, Executive Director of the Center for Children and Families, attended the meeting. The Center for Children and Families is new to the downtown area. Ms. Huston thanked the Board and Parking staff for working with them on the parking around the building.

Ms. Huston approached the PAB requesting signed 2 hour parking around her business. She serves low-income people. Two hour parking provides sufficient turn over and is more economical for her clients.

Don asked if she would like all of 3<sup>rd</sup> and 31<sup>st</sup> back to 2 hour signed. Ms. Huston agreed and stated she has services on both sides. Don asked if the two 10 minute parking signs are where she wanted them - at the east end of the building and the north end of the building. Ms. Huston stated yes.

Don asked how many people come to see them simultaneously. She believes that they would utilize all of the spaces as they could have up to approximately 18 clients at one time. Their neighbors would also benefit from it; for example, the church has big gatherings and would need the overflow.

Don asked where her employees park at. Ms. Huston stated that they pay for parking in various places. They park in the Diamond Lot, parking garages, and a few come for short periods at a time and park at meters on other streets. She feels their clients should park at the spaces in front of their building instead of the staff. The staff can make due parking elsewhere.

**REPORTS AND ACTION ITEMS**

Chris introduced Mike Craighill of Soup and Such and said he was appointed in August. Chris said with Craig's addition, the Board is at 8 of 9 members. Don said if any member knows of anyone interested in parking; let them know of the vacancy.

Chris stated that he had a new office assistant, Megan Hodson, and introduced her to the Board.

## **Minutes**

Leticia motioned to approve the August minutes. Steve seconded. All in favor. Motion passed.

### **Monthly Report - June and July 2012**

Chris handed out the monthly report. He stated that the garages are filling up. Park 1 is getting close to capacity with about 70 spaces left to rent. Park 2 is over rented to full capacity. The Federal employees are shifting around with the new building being opened. Park 3 is also at full capacity. Chris said the garages are filling back up.

Park 4 has been removed from the report as it has been sold.

Steve asked that Chris clarify what "full" means for the new members. Chris explained that maximum capacity is how much the garage can be over rented, meaning the level that the garage can be rented without having a customer call and complain about not having a space to park in. Historically, covered spaces have been rented at 120%. Since Park 1 no longer has hourly parking the roof can be over rented as well and is currently rented at 115%. With assigned parking a customer rents a specific numbered space and that is always their parking space. Those spaces are rented at a higher cost and there is not a big demand for them. Assigned spaces can only be rented up to 100%. Chris said the Parking Division also rents assigned spaces in the 27<sup>th</sup> Street Lots by the Burger Dive and Jake's.

Chris stated cash sales, revenue generated through hourly parkers, have been up. However, compared to the prior year, cash sales are down. Chris also explained the variation in Park 2 is driven by the Crowne Plaza. Currently, Crowne Plaza validations and token usage are up.

Chris said the last item is the green meter tokens. He explained Parking splits the proceeds of the green meters with the Downtown Billings Association (DBA). Since the DBA is charged for the tokens, they are only charged for half of what is collected out of the green meters.

### **Meter Trial Report**

Don stated that the Board presented to Council with the hope of leaving the bags in place until the PAB could decide what they were going to do. The Council was opposed to that. There were a lot of general questions about the trial as a whole, and Don felt they did not seem well informed. They have requested more information including an itemization of exactly what it was before and what changes are being proposed. They want specific financials of what the meter reductions are going to cost, which Chris has generated for this meeting. Don said Council would like the meters back in place until they have a full understanding.

Don said Council also mentioned the possibility of a parking commission that would replace the Parking Advisory Board with a board or commission that would have true authority. For example, if the Commission wanted to modify parking, they would be able to do that. Don said he does not know what kind of structure there would be, but he believed City Council would be able to overrule the commission if they were "out in left field" and nobody agreed with them. City Council could step in and get it back in control. The Commission would have power to build parking structures and to commit the parking commission to debt. Don stated Bozeman, Missoula, and Great Falls all have parking commissions. Mike stated Butte also has one.

Don said there are a lot of places that have the same kind of concept. There are also different ways to approach it. For example, the BID, which already exists as part of the Downtown Billings Alliance, has the authority to become a parking commission without a special legislation.

Steve asked who the Council directed, the PAB, Staff, or a combination of both, to provide a proposal on a commission-type structure. Don said it would probably be a combination of both. Don said Council specifically asked Chris what his recommendation was as he had been presenting the PAB's recommendation. Chris told them at that point in time staff was not recommending anything. Then Council said they needed more information and tabled it until September 24<sup>th</sup>. Don said Council asked if there was anyone else from the PAB at the meeting who wanted to speak, and there wasn't. He thought the committee could improve on that.

Mike asked if Council was getting negative feedback. Leticia stated the feedback that she read was very contradictory, and she thought people were not fully informed. She thought people did not understand the intention was to go to enforced, signed 2 hour parking. She felt during the trial there was not consistent enforcement, which caused negative feedback, but would not be a long term complaint if enforcement were consistent and effective.

Don said at this time the Board needs to decide how it would like to proceed. Chris generated a financial impact for the Board to consider. The study has encompassed a year and a half. The financials have been carefully reviewed. The Board has been trying to make the Parking Division more efficient. However, at the same time the Board learned the Parking Division finances were in trouble. Don thinks it will take an organized presentation from the Board to help Council understand all of it.

Tina said there were two things that were fairly influential to Council. One was from Greg Krueger making a plea on behalf of a group for the 10 hour parking to be increased. The Downtown Billings Partnership (DBP) sells the permits for \$15 and keeps \$5. Greg made a strong point to the Council that they had a lot of inquiries about those spaces for downtown employees who wanted to have some assurance that they would have a spot that was not way on the far edge of downtown. Don also explained that Lisa made a plea to Council to find a spot for the 10 hour meters somewhere as they were losing revenue of approximately \$500 a month from the permit sales. Don said he wasn't sure if that was an accurate estimate, but Council heard all that money was going away from a small business and felt they should put a stop to it.

Second, the owner of the building where the bagel shop is located was unhappy. He had meters in front of his business. Chris explained that Parking put free bags on the meters last October. His tenant, TGG Financial, requested removal of the bags as they were hurting their business. They were the first ones to contest the bags; therefore, the bags were removed. For the rest of the six months the meters were back in service. Chris said Parking then put 2 hour bags on for the three month extension. They were unhappy with the 2 hour bags as well, because their clients are such that they turn over more frequently than every two hours.

Don brought the Board back to discussion as to how they should present to Council, including the revenue information from Chris. He asked Chris to clarify the August 31 memo that he sent out. Chris said the first column is revenue impact during the trial period of October 2011 through August 2012. There were a number of factors that influence how much revenue was collected, such as vacant offices in the area of the meters. He used the same time frame from the previous year for the comparison. Meter revenue during the trial was \$242,648 vs. \$276,018 prior year. Chris said that is about \$20,000

less revenue during the trial time period. Don said the reason is because about a third of the meters were taken out of service. Leticia stated that you would think the revenue should have dropped by a third if that was the reason.

Chris said he also looked at ticket deposits. During the trial period, ticket deposits equated to \$96,600 vs. \$138,000 from the prior year.

Chris stated enforcement wrote just over 15,000 tickets during the trial. The previous year they wrote over \$21,000, which is \$6,670 less with one less enforcement officer than the previous year. When looking at the tickets written by his staff, the fourth officer wrote almost 6,000 tickets by himself; therefore, that officer made up the difference.

Chris explained that he looked at where FY 12 began and ended to get an idea of how expenses ended up. Enforcement realized a savings of \$22,052, which he expected about \$24,000 due to decreasing one enforcement officer.

Park 1 and 4 did not see expected savings for a number of reasons. First, Park 1 was not automated until June and Park 4 until July; therefore, there were no vacancy savings. Further, there were a number of vandalism incidents in Park 1, which have not been resolved or restitution paid for. Also, Park 4 had a drive approach concrete slab break that had to be repaired.

Don asked how much the repairs cost. Chris stated the repair at Park 4 was \$19,000. There were two notable high cost repairs at Park 1. On one of the three stairs the lower landing had to be removed and rebuilt because it was a trip hazard. That cost \$9,000. The vandalism removal totaled \$7,000. Don stated those expenses totaled \$35,000, so the parking study was actually making money.

The Board felt those expenses could not be compared with the trial as they have no direct relation to the trial. Chris explained he was listing the operating and maintenance expenses vs. capital. He took out capital expenses, for example the lighting upgrade, and transportation expenses. But those expenses fall under garage maintenance, so that is why he included them.

Tina stated one thing Chris hadn't mentioned is that by contract the City has to give 45 days' notice to employees of termination. When terminated, they are eligible for a quarter of their sick leave and all unused vacation time. For a long term employee that can have quite an impact financially.

Steve understood the Council wanted budget and expense information regarding trial - what did the trial do revenue-wise and expense-wise. Park 1 and Park 4 have nothing to do with that.

Will ask if any of this accounts for the money they anticipated saving for one less enforcement officer. Chris stated yes the savings are the enforcement expenses.

Leticia stated the other thing to consider is they saved \$22,000 roughly this year, times the 5% cost of living increase next year, and 5% the next year, and so on. Tina explained that is not accurate. The cost of living increase was 2.5% this year and 0% last year. Leticia said she had been told 5%. Chris explained that with salary increases, health insurance, and all other expenses, the budget expense line has been increasing approximately 5% per year.

Chris said overall the financial impact of the Parking Board's plan, including Park 1 automation, the sale of Park 4, and vacancy savings, equals to about \$380,000 revenues over expenses. Chris also explained the operating reserve has a mandated minimum reserve balance of 1/12<sup>th</sup> of the budgeted revenue that has to remain in the reserves as un-spendable cash.

Steve asked if the approved FY 13 budget is the way it is right now with the bags off. Chris answered it is calculated as if Council had approved the PAB's recommendation with signed 2 hour parking and meters removed. Don asked if it included the ticket fine increase and meter fee increase. Chris stated yes.

Tina stated in light of the council meeting Bruce has Chris examining some options, like the parking commission, to report to the Board at the October meeting. She said parking commissions in other Montana communities are generally unionized, which means the likelihood of significant staff savings are not high. Tina stated the City has also been contacted by Standard Parking. Standard Parking contracts with Great Falls and Bozeman to run their parking operations, both garages and meters. Their employees are not unionized. They will be providing more information to the City. If that would be a viable option, the City would have to bid it. To be thorough, Chris is looking at both options and plans to report to the PAB in October. Once the Board has reviewed it, he will put it on the Council agenda.

The Board went over the numbers again in regard to possible savings variances and how the number of tickets written can vary. Don stated that the Board, Staff, and the DBA all have differing opinions. However, he does not want to go to Council without all being on the same page.

Steve said he disagrees with the Chair as he thinks the Board should go back to Council and recommend the study the way it was with the condition that the Board will look at the 10 hour meters block by block. He said now it is back to the way it was, which is what prompted the trial in the first place.

Lisa said there was no doubt that the rates needed to be increased at the prime meters. She also felt that raising the fines to penalize the repeat offenders was beneficial. However, enforcement is vital as well; and if staff gets "whittled" away, enforcement will suffer and the offenders will move back in.

Lisa stated it is her opinion that a Council member should be permanently assigned to the Parking Board, that way there is someone on City Council that truly understands what is going on and why. Staff, the PAB, or even Tina are not the final decision-making body. City Council is. Lisa stated it was her understanding that Council directed Chris to do another survey to get more input. She said Chris has to comply with that and that takes more of his time to do that. She met with Chris to compile questions to ask the public.

Chris asked the Board if they would be okay with moving the next PAB meeting to October 16<sup>th</sup> from the 9<sup>th</sup>. He explained Council also directed him to converse with the hospitals regarding where they are with planning as they are moving closer and closer to the central business district. He has contacted Curtis Harper from St. Vincent's and Mitch Goplin from Billings Clinic. Moving the meeting out would give him time to hold meetings with the hospitals and then bring back that information to the PAB. He would also have the results from the survey at that time.

Chris said he would like to take the meter recommendation to the Council work session on October 22. They could then add in the Alternative Management Report, and it would be one report versus two.

Will thought they need to get the bags back on as soon as possible. The details can be figured out later. Chris said he believes Council made Parking take the bags off because Councilmember Cromley stated it is not legal to leave them on since the Council sanctioned trial ended on August 15<sup>th</sup>. Therefore, it is not approved by Council to have the bags on any longer. Leticia stated it has been her experience on the board to discuss raising rates, fines, monthly parking, etc. when they get in trouble. She doesn't know if that is the best approach. Instead, raise the rates incrementally to keep up with expenses, so that every five years customers are not getting a 20% increase. In her opinion people are more willing to accept a 2.5% increase annually or every other year. She thinks going forward the Board needs to approach that as well. Leticia stated she thinks it is important when presenting to Council to explain the reason for the trial because of the new members that were not there when the trial began. Will stated the Board needs to make the presentation and not rely on Chris and his staff to do it, especially because he thinks staff recommendation will be different than the Board's.

Don stated his biggest concern is the Board can do whatever they want to; but at the end of the day Council will go back to Chris, because he is in charge of Parking, and ask what his recommendation is. Chris could disagree with the Board, and Council will listen to staff over the Board. He asked Chris if there is any way they will get to a point to agree.

Chris said yes. He said having the conversation with the Board has helped him further understand that there is a trade off for the trial. He was asked by Council through Tina and Bruce to prepare his own recommendation, which essentially would be like a square. It would have the core in the center, then the 2 hour meters, then the 4 or 10 hour meters, and then the free parking. Don stated then the free parking would be 6 blocks out.

Leticia stated the concern would be the repeat offenders parking in the core again, and then the businesses would not get the turn over that they would want.

Mike stated he is around people plugging the meters all day and asked how they enforce meter plugging. Chris explained enforcement remembers vehicles and license plates they have ticketed that day. They then chalk the tire, and, if the meter has time on it after two hours, that vehicle is written a meter plugging ticket. In one aspect, reducing the enforcement area to 3 enforcement officers leads to more efficient enforcement. It allows them to go back to the same spot more frequently.

Lisa asked if there are any reserves in the Parking fund. Chris stated the reserves are starting to build back up. Steve said the Board's recommendation would be adding back some 10 hour meters and some other things that would generate more revenue. The Board has not even begun debating the other options yet, like the commission. With the items put into place, he believes the reserves will build back up quickly. Will stated some of the reserves were depleted because Council voted on part of a plan to take on debt to build a new garage, but did not increase the revenue that was proposed to pay for it.

Chris explained that the Park 2 debt service was refinanced. Due to the refinancing, there will not be a payment due in FY 13. Therefore, FY 13 expenses will be \$200,000 less. Chris stated the payment was going to be due later this month. However, because Parking closed on the sale of Park 4 at the beginning of September, Parking was able to pay the debt service down, refinance, and avoid a payment for one whole year.

Leticia felt the Board should try to convince Council to pass the changes in the trial, and the Board will continue to manage issues on a case-by-case basis. She did not feel they would be ready by the October

22 meeting date. Lisa said, as she was present at the council meeting, she is certain Council will not pass the trial without the data they are requesting. She also recommended that more of the Board attend the council meeting, so Council has a chance to see and hear support from them also.

The Board discussed the survey Chris has been directed to complete. Chris and Lisa explained they will use Survey Monkey for the survey. The survey will ask for people's reactions to the trial. It will depict people's parking habits, such as whether they utilized the free parking during the trial. Lisa has a distribution list of about 600 property owners and businesses located throughout the large BID. She said she can narrow it down to encompass the core area owners and businesses. Regarding 10 hour meters, Chris stated some possible questions would be finding out if patrons parked at the meters, if they were satisfied with the location, and whether they had to arrive earlier to find an available meter.

Will stated his concern is the unhappy people may be the only ones to respond to the survey.

Mike asked if every change has to go to Council. Don stated it depends on the situation; for example, to redo the entire parking downtown, yes, but to give someone a 10 minute space, no.

Don asked if the Board agrees with deferring the meeting from Sept 24<sup>th</sup> to the 22<sup>nd</sup> of October. The committee stated yes. Don asked if they agreed on moving the October 9<sup>th</sup> meeting to the 16<sup>th</sup>. Most of the committee agreed. Leticia stated she could not make the 9<sup>th</sup>. Chris said he would like to get the results and information to the Board by the 11<sup>th</sup> or 12<sup>th</sup>.

Don stated at the next meeting he would like a preliminary discussion for where the 10 hour meters can go and where the free parking would be. Chris stated he will have the Alternative Management Report (AMR) revisions for them to review. He will make the adjustments to the AMR per Tina's revisions, and then he will send it out to the Board so they can start reviewing it.

### **City Council member being appointed to the Parking Advisory Board**

Don tabled the discussion until the October 16<sup>th</sup> meeting.

## **OLD BUSINESS**

### **Site Development Code Changes**

Don stated he talked with Bruce Simon and Randy Hafer, who were former representatives of the PAB. There is some Site Development Code and zoning changes being considered that may affect parking, but mostly outside the downtown area. It mainly concerns restructuring off-street parking requirements, bike parking requirements, and a MET Transit parking off-set. The City Engineering office has been working on it for awhile and has narrowed it down to a small group of changes compared to what they started with. Don said he believed that both Randy and Bruce thought, after the length of time and work involved so far, it would be better getting those changes through and then address more changes later.

Chris stated Chris Hertz from Engineering and Terry Smith from Streets and Traffic are working on a couple of details and want to meet in the late fall to make a final presentation to the PAB, Traffic Control Board, the DPARB, and to City Council.

Don asked if the PAB could see a list of all the items they initially sent to them. Chris stated yes.

## **Park 4 Sale Update**

Don stated there is nothing to update because the sale has been completed. Chris stated he will remove it from the agenda.

## **Empire Parking Garage Update**

Don stated the review panel, including Lisa and himself, interviewed the three companies that will submit proposals for the Empire Garage. They came to the panel and presented either full designs or partial designs.

Steve asked Don if he would update the new members about the Empire Garage.

Don stated there were financial concerns concerning the Department of Revenue and how they were assessing the tax increment district inside the district itself. After concern of whether the funds would be available, it was determined the project could progress. The project will proceed toward a 568 car garage, though the numbers may change. It will be about 2/3 the size of Park 4 with ground floor retail space. Design quality is very important to fit into the historic nature of Montana Avenue.

There was not a strong local representation for the architects and builders. It went through an open process, and the three were selected based on their experience. Lisa and Don were not involved with the initial selection, but are both now on the panel. Don said he has been representing as Chair of the PAB, and he would like to continue. However, if anyone else would like to be involved in the next step of interviewing the candidates when they bring final proposals, or if they would just like to listen in, they are more than welcome.

Lisa noted it would be confidential information.

Don stated if someone wants to be involved, they would have to commit to attending all the meetings. Chris stated the design submissions are due the 27<sup>th</sup> of September. He said the panel will review them on October 2<sup>nd</sup> and 3<sup>rd</sup>. Then interviews will be held on the 11<sup>th</sup> of October, with a final decision to be made on the 12<sup>th</sup>. It will then go to Council on the 22<sup>nd</sup>.

Don explained it is not just a low bid type of thing. There will be a certain budget range, but if one proposal is a better value overall and still within the budget range, yet higher than another proposal, the panel may choose the higher proposal. The three companies are aware of that possibility.

Chris stated there is a lot of preconstruction work going on. Parking is in negotiations with CTA to design a trench for the utility relocate in the alley. He anticipates the cost to be about \$30,000 - \$40,000 for CTA's services. The total, with the design, paying the utility companies to do the work, and hiring a contractor to dig the trench, is going to be about \$1 million. The asbestos survey noted there is a considerable amount of asbestos in the basement of the Windsor Court building. The cost estimate is \$100,000 for abatement. Chris said those items are on his desk to enter into contracts. Don stated the project is on target with the Northern, which will open up in March.

## **NEW BUSINESS**

### **Downtown Alliance Report**

Lisa stated they wrapped up the Alive After Five summer series event. They are now gearing up for Harvest Fest, which is October 13<sup>th</sup>, and then they will head into the Holiday season.

Mikal Young has left her position as Marketing Events Coordinator. She is taking a position to travel with a previous employer. SooPing will be leaving November 1<sup>st</sup> because her husband got a new job in Seattle. Joe is on a leave of absence right now.

Lisa is hiring and restructuring some of the positions. She is really excited about some new things happening in downtown. There are a lot of good, positive things happening, and she is encouraged.

**Informational Items**

There were none to discuss.

**Adjourn:**

The meeting was adjourned at 6:30 p.m.