

PARKING COMMISSION

MEETING AGENDA

August 22, 2017, 5:30 PM
Hooker Room #245, City Hall

- I. Call to Order
- II. Approval of Minutes
- III. Reports from Commissioners & City Officers
- IV. Public Comment
- V. Discussions of Topics Not the Subject of Resolutions
 - A. 2018 Meeting Schedule
 - B. Private Parking BMC §15.36
 - C. Adopting changes to the Financial Report - Introduction (20 minutes)*
 - D. Adopting changes to the Financial Report - Neighborhood Zones (20 minutes)*
- VI. Resolutions for First Reading and Discussion (1 hour)
 - A. Parking Commission Policy Objectives (#1, #2, #5, #8)*
- VII. Resolutions for Second Reading and Discussion — None
- VIII. Member Announcements
- IX. Adjournment

The September Work Session will focus on Metered Parking.

Next Work Session: September 12, 2017, 5:30 PM, Dunlap Room #235

Next Meeting: September 26, 2017, 5:30 PM, Hooker Room #245

*Action Requested/Public comment prior to any vote, limited to five minutes per speaker.

Auxiliary aids for people with disabilities are available upon request with advance notice.
Please call **(812) 349-3429** or e-mail human.rights@bloomington.in.gov.

*** Amendment Form ***

Ordinance #: 17-24
Amendment #: 1 to AM 01, an Amendment by Substitution
Submitted By: Cm. Volan, District VI
Date: August 17, 2017

Proposed Amendment:

1. Am 01, an amendment by substitution to Ord 17-24 shall be amended by adding the following new subsection (d) to 15.36.020 Eligibility
 - (d) An applicant is exempt from the eligibility requirements of (a)-(c) above where the applicant has continuously held a permit in good standing before the effective date of this ordinance.

2. Am 01, an amendment by substitution to Ord 17-24 shall be amended by replacing the words "Parking Enforcement Manager" with "Transportation and Traffic Engineer, or his or her designee" throughout.

3. Am 01, an amendment by substitution to Ord 17-24 shall be amended by adding the following new subsection (d) to 15.36.060 Issuance and revocation of permits
 - (d) Signage and markings on a space shall be removed no less than seven (7) nor no more than thirty (30) calendar days after the Board of Public Works' decision to revoke it.

4. Am 01, an amendment by substitution to Ord17-24, Section 15.36.090 Disposition of revenue, shall be amended by replacing the word "general fund" with "Alternative Transportation Fund, Fund 454."

Synopsis

This amendment is sponsored by Councilmember Volan. The change allows an applicant who does not otherwise meet eligibility requirements for a Reserved Residential Only Parking Permit to nevertheless obtain such a permit where the applicant has continuously held a permit in good standing before the effective date of the ordinance. It add a new provision regarding the removal of signage upon revocation of a permit, and it shifts authority from the Parking Enforcement Manager to the Transportation and Traffic Engineer, or her or his designee. The measure also calls for the deposit of revenue from the program be deposited into the Alternative Transportation Fund, not the General Fund.

5/24/17 Committee Action: None
5/31/17 Regular Session Action: None
8/9/17 Regular Session Action: *Pending*

(17 August 2017)

A Financial Report on the City's Parking System

City of Bloomington
Parking Commission

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Chapter 2. Introduction to the Financial Report

Background

The Commission was authorized by Ordinance 16-22 (see Appendix 3) to “[access] all data regarding the City’s parking inventory, including usage, capital and operating costs, so long as the data is released in a manner consistent with exemptions from disclosure of public records set forth in Indiana Code § 5-14-3-4”.

On March 28, the Parking Commission adopted Resolution 2017-02 which authorized and directed the Chair to obtain and report on specific information about parking from City departments.

The Chair submitted a written request for information to City Legal, a copy of Parking Commission Resolution PKG 2017-02 which authorized the request, and a public records access request form to City Legal. Assistant City Attorney Anahit Behjou provided Detail General Ledger Reports for funds related to collections, garages and lots, the Alternative Transportation Fund (which also holds funds from neighborhood zones), and the Parking Meter Fund. (The Chair’s letter, Ms. Behjou’s response, and supporting documents were included in the Commission’s May 2017 meeting packet.) An excerpt from a typical Detail General Ledger Report is shown in Figure 1.



Detail General Ledger Report

G/L Date Range 01/01/16 - 04/30/17

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance	
G/L Account Number 452-26-260000-43130 Hourly Parking								Balance To Date:		\$0.00
01/01/2016	2016-0000373	JE	RA	Revenue Collection Payment Post	Collections			123.75	(123.75)	
	<i>Receipt Number</i>	<i>Receipt Batch</i>	<i>Receipt Description</i>		<i>Received From</i>	<i>Payment Date</i>		<i>Amount</i>	<i>Distribution Amount</i>	
	2016-00002215	2016-01000153	Parking Garage CC 12/31 & 1/1		Parking Garage CC 12/31 & 1/1	01/01/2016		123.75	(123.75)	
							Total	\$123.75	(\$123.75)	
01/04/2016	2016-0000626	JE	RA	Revenue Collection Payment Post	Collections			163.75	(287.50)	
	<i>Receipt Number</i>	<i>Receipt Batch</i>	<i>Receipt Description</i>		<i>Received From</i>	<i>Payment Date</i>		<i>Amount</i>	<i>Distribution Amount</i>	
	2016-00003998	2016-01000292	Parking Garage CC 1/4		Parking Garage CC 1/4	01/04/2016		565.75	(163.75)	
							Total	\$565.75	(\$163.75)	
								144.00	(431.50)	

Figure 1. Example of data provided to the Commission

City Accounting Methods

Deputy Controller Jeff McMillian explained that the City separates revenues into account codes beginning with '4', and expenses with account codes beginning with '5'. The second number of each code refers to the City's budget categories, with '1' referring to personnel, '2' to supplies, '3' to other expenses, and '4' to capital expenditures.

After the annual budget has been adopted, a department has wide discretion to direct funds within a category. To move funds between categories, however, the department head is required to submit an appropriation ordinance to Common Council for approval.

At year's end, unspent funds continue to accumulate in the account to which budgeted funds were deposited. Additional appropriations from an account that are not the subject of an approved budget request must be introduced by the administration and then approved by the Common Council. By default, parking funds in City accounts are non-reverting, i.e., they stay in the specific account and do not automatically get transferred back to the City's General Fund.

Accrual and Cash Accounting Systems

The main difference between accrual and cash basis accounting lies in the timing of when revenue and expenses are recognized. The cash method accounts for revenue only when the money is received and for expenses only when the money is paid out. On the other hand, the accrual method accounts for revenue when it is earned and expenses goods and services when they are incurred. The revenue is recorded even if cash has not been received or if expenses have been incurred but no cash has been paid. Accrual accounting is the most common accounting method.

The Controller's Office records revenue and expenses using accrual accounting. For instance, the office may receive a bill for a service performed in November of one year but not actually pay the bill until January of the next year. The office records that expense as being incurred in November, but the Commission's report would not reference or include the charge until the next year's report. This treatment introduces elements of standard and random error into the Commission's report.

Fortunately, many of the routine expenses have comparable amounts month-to-month, minimizing the standard error. However, the random error is a harder factor to assess, particularly with larger and infrequent expenses occurring in the system and capital improvements to the system. For instance, if an HVAC unit needs to be replaced, that particular expense may not reoccur for another seven to ten years — until the unit fails. In this report, all of the revenue and expense items that were either collected or disbursed by the Controller from the

first to the last day of a particular month were considered and classified as revenue and expenses originating in that month.

To prepare the statements in this report, the Commission reviewed the detail general ledger reports provided by the Controller's Office. Revenue and expenses were sorted by month into summary spreadsheets, (These were included in the Commission's May 2017 meeting packet.) Because the Commission did not have access to the original invoices, the expense ledgers were treated as cash-basis reports.

Methodology

The City used separate accounts to manage funds for Garages and Lots, Metered Parking, and Neighborhood Zones. The master account code for each program is 452, 455, and 454, respectively. A detail of revenue and expenses was prepared for each program, along with an aggregate statement, and appear in Chapters 3, 4, and 5, respectively. The statements included a detail of revenues by source and expenses by City budget category.

Budget categories '2' and '3' were divided into operational and system-related expenses. Operational Expenses included items such as office supplies, electric and water/sewer bills, and other basic expenses. System-Related Expenses included those particular to the system which they support—for instance, in neighborhood zones, the cost of printing permits, or in the parking meter system, the cost of replacing meter batteries.

The Operational Cash Flow of each program was defined as program revenue minus program expenses. Program Expenses included personnel cost, operational expenses, system-related expenses, and general-fund overhead charges. The analysis of Operational Cash Flow found that the systems of Garages & Lots and Neighborhood Zones operated at shortfalls, while the Metered Parking system generated a surplus.

Enforcement of the rules in each system resulted commonly in the issuance of citations. Total revenues from citations vary widely from year to year. Revenues from neighborhood zone citations was deposited into City account 454, the Residential Neighborhood Zones Fund, also referred to as the Alternate Transportation Fund. Revenue from garage (but not lot) citations was deposited into account 452, the Parking Facilities Fund. Revenue from Metered Parking citations—including surface lot spaces as well as on-street spaces—was **not** deposited into account 455, the Parking Meter Fund, but instead into 101-02, the City's General Fund.

Other financial data that would complete the picture of the parking systems' performance must be found elsewhere in the City budget. ~~It should be noted that, while the general ledger was very detailed concerning each account, not all of the expenses related to a particular project were categorized or listed in parking expense accounts. Often, a specific City priority is supported by staff and resources from a variety of City~~

~~departments.~~ Other accounts in which parking-related expenses may be found were not examined during the preparation of this report.

The Tax Increment Financing (TIF) Fund preferentially allocates revenue to support the Garages and Lots system.¹⁵ Capital expenditures from the Common Council's Sidewalk Fund were dispersed from the Neighborhood Zone / Alternate Transportation Fund. The stated purpose of enforcement is compliance, not generation of revenue. These three types of dollars — revenue from citations, TIF contributions, and capital expenditures — were treated as separate line items added back to Operational Cash Flow to determine the overall financial picture of each program, which in this report is termed the Program Balance.

Overall Financial Summary

Financial Performance FY2016: \$1.66 Million in Net Revenue

Figure 2 shows overall performance of the parking system. In FY2016, the City's parking system Operational Cash Flow was more than \$280,000. The Program Balance, which included revenue from citations and the TIF fund, was \$1.56 million.

In support of the Council's Sidewalk Fund, the City transferred \$500,000 from capital account 601 into the Neighborhood Zone account. The Council dispersed \$400,500 in FY2016, leaving a remainder of \$99,500 in the Neighborhood Zone account. Parking meter citation revenue totaling \$383,000 was deposited in the City's General Fund, as previously noted. In FY2016, the parking system was a net beneficiary of the capital transfer by \$117,000 and retained \$99,500 of unspent funds allocated to the Council Sidewalk Committee.

The Program Balance after capital expenditures for FY2016 was \$1.66 million (Figure 2). The Total Fund Balance at the end of FY2016 was \$4.85 million.

¹⁵ The Redevelopment Commission contributed \$662,709.99 of TIF fund dollars to pay the 7th Street and Morton Street garages' lease payments in FY2016.

Figure 2: 2016 Financial Performance of the City of Bloomington's parking system.

Category	Amount
Revenue	
Neighborhood Zone– Permit Revenue	\$ 131,860.38
Garages – Hourly Revenue	\$ 150,040.28
Lots – Hourly Revenue	\$ 74,847.01
Garages – Permit Revenue	\$ 740,856.30
Garages – Lot Leases	\$ 109,945.07
Garages – Other Revenue	\$ 21,003.18
Parking Meter -- Permits	\$ 25,555.10
Parking Meter – Hourly Revenue	\$ 2,218,005.77
Parking Meter – Convenience Fee	\$ 161,169.30
Private Parking	\$ 542.00
Total Revenue	\$ 3,633,824.39
Expense	
Staffing Expense	\$ (1,160,976.56)
Operational Expenses	\$ (317,132.01)
System-Related Expenses	\$ (1,699,224.31)
General Fund Charges	\$ (172,080.00)
Total Expense	\$ (3,349,412.88)
Operational Cash Flow	\$ 284,411.51
Other Revenue	
Neighborhood Citations	\$ 224,712.10
Garage & Lots Citations	\$ 1,572.00
Meter Citations	\$ 383,108.11
TIF Revenue	\$ 662,709.99
Miscellaneous Income	\$ 933.85
Total Other Revenue	\$ 1,273,036.05
Program Balance	\$ 1,557,447.56
Capital Transfer to Neighborhood Zones	\$ 500,000.00
Capital Expenditures	\$ (400,496.25)
Program Balance after Capital Expenditures	\$ 1,656,951.31
Total Fund Balance as of 12/31/16	\$ 4,847,015.30

Financial Performance Since 2011

The Chair, in consultation with Deputy Controller Jeff McMillian, also obtained and reviewed detailed general ledger summaries for FY2011-2015.

Since 2011 there have been a number of changes to the City's chart of accounts used to categorize revenue and expenses. Revenues and expenses for the period were assigned to categories that closely approximated the City's 2016 chart of accounts. (The 2011-2015 reports were attached to the Commission's June 2017 meeting packet.)

Because the City's methods for recording revenue and expenses frequently changed before FY2016, it is important to note the following information when comparing historical financial data:

- ▶ From FY2011 until August 2013, garage spaces were metered at a rate of \$0.25 per hour and on-street spaces were enforced as "2 Hours Free" per blockface from 5 a.m. until 5 p.m.
- ▶ In FY2013, the Controller's Office recorded revenue from the newly-installed on-street parking meters as hourly garage revenue.
- ▶ Beginning in FY2014, the Controller's Office created separate accounts to differentiate revenue and expenses for parking meters from garages and lots.¹⁶
- ▶ The difference between lot lease revenue from FY2011 to FY2014 reflects the methods used to record permit parking revenue by the City Controller. The majority of 2014 revenue should be ascribed to permit revenue, not lease arrangements.
- ▶ The City did not record any charges to the General Fund in 2015; however, the amount recorded in 2014 most likely represents charges for 2014 and 2015.¹⁷
- ▶ Revenue from Metered Parking citations from August 2013 through 2015 is not included in Figure 3, *Summary Table of Parking System Financial Data, 2011-2016*.¹⁸
- ▶ Capital expenditures related primarily to the Common Council's Sidewalk Fund and included street repairs necessary for the installation of parking meters.

Financial performance data for the years 2011-2016 have been summarized in Figure 3.

¹⁶ In 2013, hourly revenue from garages, lots and parking meters were recorded in the same revenue account. Beginning in 2014, separate accounts for each system were used by the City Controller.

¹⁷ The Commission has not been able to verify this assumption.

¹⁸ Revenue from parking meter citations was deposited in the General Fund. For FY2011-2015, the Commission did not separate meter citation revenue from other citation revenue and other transactions in the General Fund account 101-02.

Figure 3. Summary Table of Parking System Financial Data, 2011-2016.

Revenue	2011	2012	2013	2014	2015	2016
Revenue						
Garages – Hourly Revenue	\$ 36,813	\$ 40,281	\$ 829,968	\$ 125,960	\$ 127,221	\$ 150,040
Lots – Hourly Revenue				\$ 74,119	\$ 120,475	\$ 74,847
Garages – Permit Revenue	\$ 416,196	\$ 417,042	\$ 435,986	\$ 525,675	\$ 722,522	\$ 740,856
Garages – Lot Leases	\$ 187,616	\$ 184,694	\$ 190,368	\$ 365,003	\$ 82,926	\$ 109,945
Garages – Other Revenue				\$ 14,990	\$ 16,590	\$ 21,003
Metered Parking – Permits				\$ 19,948	\$ 38,483	\$ 25,555
Metered Pkg. – Hourly Revenue				\$ 2,157,473	\$ 2,170,726	\$ 2,218,006
Metered Pkg. – Convenience Fee			\$ 53,779	\$ 153,081	\$ 147,661	\$ 161,169
Neighborhood Zone Permits	\$ 114,869	\$ 115,555	\$ 122,075	\$ 124,929	\$ 125,438	\$ 131,860
NZ Resident-Only Parking Permits				\$ 167	\$ 156	\$ 542
Program Revenue	\$ 755,494	\$ 757,572	\$ 1,632,176	\$ 3,561,344	\$ 3,552,198	\$ 3,633,824
Expense						
Staffing Expense	\$ (842,030)	\$ (880,862)	\$ (939,630)	\$ (981,153)	\$ (1,247,264)	\$ (1,160,977)
Operational Expenses	\$ (1,143,928)	\$ (877,208)	\$ (389,800)	\$ (275,607)	\$ (365,143)	\$ (317,132)
System-Related Expenses	\$ (1,160,411)	\$ (1,441,268)	\$ (1,220,793)	\$ (1,505,189)	\$ (1,672,529)	\$ (1,699,224)
General Fund Charges	\$ (109,192)	\$ (215,835)	\$ (225,000)	\$ (372,568)		\$ (172,080)
Program Expense	\$(3,255,561)	\$(3,415,173)	\$(2,775,223)	\$(3,134,517)	\$(3,284,937)	\$(3,349,413)
Operational Cash Flow	\$(2,500,067)	\$(2,657,601)	\$(1,143,047)	\$ 426,827	\$ 267,261	\$ 284,412
Neighborhood Citations	\$ 362,380	\$ 420,563	\$ 452,892	\$ 272,290	\$ 234,540	\$ 224,712
Garage & Lots Citations	\$ 578,778	\$ 581,137	\$ 452,256	\$ 2,810	\$ 827	\$ 1,572
Meter Citations	††	††	†††	†††	†††	\$ 383,108
TIF Revenue	\$ 748,734	\$ 756,221	\$ 704,362	\$ 666,080	\$ 670,678	\$ 662,710
Other Revenue	\$ 1,244	\$ 7,284	\$ 1,532	\$ 562	\$ 12,141	\$ 934
Grants		\$ (10,000)	\$ (5,000)			
Program Balance	\$ (808,931)	\$ (902,397)	\$ 462,995	\$ 1,368,569	\$ 1,185,446	\$ 1,557,448
Capital Transfer to 454	\$ 765,000	\$ 765,000	\$ 350,000	\$ 200,000	\$ 500,000	\$ 500,000
Capital Expenditures	\$ (238,312)	\$ (722,615)	\$ (229,627)	\$ (737,351)	\$ (251,708)	\$ (400,496)
Program Balance after Capital Expenditures	\$ (282,243)	\$ (860,012)	\$ 583,368	\$ 831,217	\$ 1,433,738	\$ 1,656,951

††On-street parking citations in 2011 and 2012 were reported as program revenue and deposited into Parking Facilities.

†††Beginning in August 2013, revenues from on-street citations were deposited into the general fund. Due to the overall number and co-mingling of transactions, citations data were calculated using records obtained from the Office of the City Clerk.

Year-to-Year Comparisons

In FY2015 and FY2016, the City recorded revenues and expenses in the parking system using the same methodology. During those years, Public Works, Planning & Transportation, and the Controller's Office managed parking in a manner consistent with each other. Consistency in the number and management of assets, accounting methods, and types of permitted uses make historical comparisons for the period from FY2015 to the present most meaningful.

Parking Meters Improved Performance

Challenges faced by the parking system before the installation of metered parking were well-documented by Walker Parking Consultants¹⁹ and local media.²⁰ System-wide financial performance has rebounded from a \$2.5 million dollar shortfall in FY2011 to a \$1.66 million surplus for FY2016.

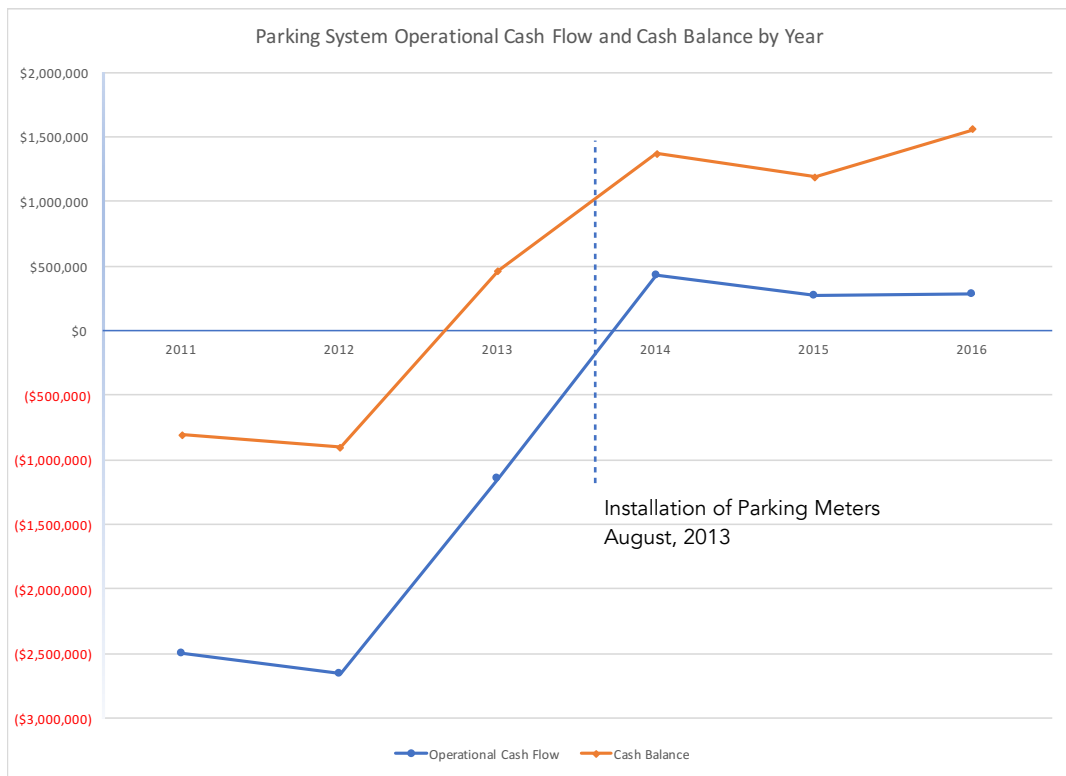


Figure 4: Graph of Parking System Operational Cash Flow and Cash Balance by Year.

¹⁹ Walker Parking Consultants. City of Bloomington Parking Operations Plan. December 2012, p. 31-47.

²⁰ Blau, J. "Paid parking in Bloomington: An issue of dollars and sense." *The Herald Times*, 2013 January 2.

System Subsidized by TIF Fund and Citations Revenue

Gross TIF dollars devoted to parking have declined from \$748,000 in FY2011 to \$663,000 in FY2016, and represent 13.5% of the total revenue of the parking system. The Redevelopment Commission is obligated to preferentially allocate TIF money until the terms of the garage leases have been satisfied.^{21,22} **Between FY2011 through 2017, the TIF will have contributed nearly \$5 million to the parking system.** The literature suggests that continued use of TIF dollars creates a cross-subsidy from those without cars to those who have them²³ and represents an opportunity cost to the community.

Revenue from all citations totaled \$609,000 in FY2016, representing 12.5% of system revenue. Citation revenue and TIF money make up 26% of the parking system's overall source of revenue.

²¹ Register Parking Garage Operating Lease, 2003 December 11. Section 4.8.2-4.8.3.

²² 7th and Walnut Garage Operating Lease. 2001 February. Section 4.2.

²³ R. Willson, *Parking Management for Smart Growth*. Washington: Island Press, 2015, p. 13.

Chapter 5. Neighborhood Zones

Overview

There were 11 Neighborhood Parking Zones around the city (Figure 26). ~~Residents in those zones may receive parking permits that allow only vehicles with permits to park on the street between 8 a.m. and 5 p.m., Monday thru Friday.~~ On-street parking in these zones is limited to permit holders Monday through Friday between 8 am and 5 pm. Neighborhood residents are eligible to purchase permits, while others (service providers such as contractors, for instance) are able to purchase City-wide permits. Permits expire August 15 of each year. This ordinance was meant to protect residents, bicyclists and pedestrians from excessive commuter traffic in the neighborhoods and competition for parking spaces.

BMC §15.37 summarized Neighborhood Zone regulations.

Authorizing Legislation	Neighborhood Zone Areas
Ord. 92-06, 1992	Zone 1: Elm Heights
Ord. 93-16, 1993	Zone 2: East of Jordan
Ord. 95-08, 1995	Zone 3: Green Acres
Ord. 95-26, 1995	Zone 4, 5, 6, 7: Old Northeast and Downtown
Ord. 98-52, 1998	Zone 8,9: North College
Ord. 03-16, 2003	Zone 10: Near West Side
Ord. 04-14, 2004	Zone 11: Wylie House
Ord. 08-19, 2008	
Ord. 10-15, 2010	
Ord. 11-07, 2011	
Ord. 11-03, 2011	
Ord. 14-11, 2014	

Figure 25. Neighborhood Zone authorizing legislation

Figure 26. Neighborhood Zones., 2016

Authorizing Legislation

The Elm Heights Neighborhood Zone was established in 1992 by Ordinance 92-06. Since creating the first zone, the Common Council has created new zones and has amended the governing regulations (Figure 25). BMC §15.37 summarized the regulations that governed the Neighborhood Zone permit program. Subsection §15.37.160 designated the Alternative Transportation Fund,⁶⁵ and specified that all surplus revenue from permits and fines shall be used to “reduce the community’s dependency on the automobile.” In practice, this fund primarily became the source of the Common Council’s Sidewalk Fund.

Subsections §15.37.170 through §15.37.240 created special conditions for the issuance of permits by the Board of Public Works and the Controller’s Office. In some these cases, BMC Title 15 did not specify a cost for the permit. In others, the the permit’s use was not in line with the 2002 GPP or the current draft of the City’s Comprehensive Plan. Types of permits sold were not tracked contemporaneous with the sale.

2016 Rules for Issuance of Permits

Any person who maintained a residence within a Neighborhood Parking Zone was eligible to apply for one parking permit per vehicle. A current property tax statement or current utility bill served as proof of residency for homeowners. Renters were required to submit a current lease. A current vehicle registration was also necessary.

Permit cost for residents was \$25. A visitor permit was an additional \$25. Permits expired on August 15 of the year. Permits were required to be affixed to the vehicle in the lower left corner of the rear window and visible to the parking enforcement officer. Visitor permits were required to be hung from the rearview mirror. A resident living in the Neighborhood Zone was able to purchase a visitor permit for use only by a visitor while temporarily visiting that address. Only one visitor permit could be purchased per address. Businesses did not qualify for visitor permits. Permits were non-transferable.

A resident or visitor permit allowed the permit holder to park on-street anywhere in the zone for which the permit was issued, where there was not any other parking restriction, such as a no-parking zone or a yellow curb.

Residential Neighborhood Zones were enforced Monday thru Friday, 8 a.m. to 5 p.m. every day that City Hall was open. Neighborhood zone regulations were in effect throughout the year. Permit holders were required to

⁶⁵ BMC §15.37.160: Disposition of Revenue. All funds derived from the issuance of permits and from fines shall be used to pay the costs of operating this program. Funds received in excess of the annual cost of operating the program shall go into an alternative transportation fund. The alternative transportation fund shall be for the purpose of reducing our community’s dependence upon the automobile. Expenditures from the fund shall be approved by the council.

comply with emergency regulations and other existing parking ordinances or laws. Violation was subject to a citation of \$20 that escalated to \$40 if unpaid after two weeks.

Non-resident landlords, realtors and service agents were authorized to use a visitor permit from the resident while conducting service. Contractors were able to purchase a yearly permit for all eleven Neighborhood Zones for \$55. Contractors were also purchase a one-day permit for all Neighborhood Zones for a \$5.00 fee.⁶⁶

Neighborhood Zone Financial Performance

Revenue Shortfall of \$73,000; Citations and Capital Transfer Subsidize the Program

The Residential Neighborhood Zone parking system operated with an Operational Cash Flow shortage in FY2016. Program Expense was 156% of program revenue resulting in a revenue short-fall of \$73,071 (Figure 26). Program Balance which included revenue from citations was \$151,641. Program Balance after capital expenditures was \$251,144.87. This number included \$99,500 in funds unspent by the Council Sidewalk Committee.

The fund balance or cash-on-hand at the end of FY2016 was \$996,864.56.

Neighborhood Zone Citation Rate is 170%

In FY2016, Parking Enforcement officers issued 10,419 citations in Neighborhood Zones—a citation rate of 170%.⁶⁷ According to the information provide by City Legal, the City issued 4007 resident and visitor permits and 702 all-zone service permits. The literature cites a unique vehicle citation rate of 5-7%.⁶⁸ Although we were unable to calculate or deduce the number of unique vehicles cited, the citation rate of 170% in FY2016 was ostensibly high.

Capital Expenditures - Council Sidewalk Fund Subsidizes Neighborhood Zones

City account 454 was known as both the Neighborhood Zone fund and the Alternate Transportation Fund. In FY2016, the City transferred \$500,000 from capital account 601 into the Neighborhood Zone account. The Common Council's Sidewalk Committee designated and directed these funds to be used for capital

⁶⁶ <https://bloomington.in.gov/documents/viewDocument.php?document_id=1801>

⁶⁷ Citation revenue divided by Program Revenue.

⁶⁸ R. Willson, *Parking Management for Smart Growth*. (Island Press: Washington, 2015), p. 191-192.

improvements to sidewalks and intersections. In FY2016, \$400,496 of the \$500,000 was spent on capital sidewalk and intersection improvements. The balance of \$99,504 remained in the Neighborhood Zone account .

Figure 27: 2016 Financial Performance of Neighborhood Zones.

Item	Amount	Notes
Total Revenue	\$ 131,860.38	
Expense		
Staffing	\$ (118,959.97)	
Operation Expense	\$ (19,097.70)	
System-Related Expense	\$ (8,811.69)	
General Fund Charges	\$ (58,062.00)	
Program Expense	\$ (204,931.36)	
Total Expense	\$ (409,862.72)	
Operational Cash Flow	\$ (73,070.98)	Operational Shortfall
Other Income		
Citation Revenue	\$ 224,712.10	170% of Revenue
Miscellaneous Income / Expense	\$ 0.00	
Total Other Income	\$ 224,712.10	
Program Balance	\$ 151,641.12	
Capital Transfer (601 -> 454)	\$ 500,000.00	\$500M from 601
Capital Expenditures	\$ (400,496.25)	
Program Balance after Capital Expenditures	\$ 251,144.87	
Fund Balance as of 12/31/16	\$ 996,864.56	

Staffing Expense

Personnel costs represented 85% of program revenue (Figure 27). Two of the City's most senior, full-time officers, were tasked with enforcement of Neighborhood Zones. As Figure 27 indicates, health insurance and PERF were substantial contributors to the costs of staffing neighborhood zones. Enforcement officers also received reimbursements for cellphone bills related to enforcement, uniforms and shoes.

Based on personnel costs and citation revenue, we calculate the following metrics:

- ▶ Total Program Cost per Enforcement Hour: \$51.23⁶⁹
- ▶ Staffing Enforcement Costs per Enforcement Hour: \$29.74⁷⁰
- ▶ Citation Revenue per Enforcement Hour: \$56.18⁷¹
- ▶ Hourly Productivity: 189%⁷²

Figure 28: 2016 Neighborhood Zone Staffing Costs

Staffing - Neighborhood Zones	Amount	Subtotal
454-02-020000-51110 Salaries and Wages - Regular	\$ 74,719.31	
454-02-020000-51210 FICA	\$ 5,381.30	
454-02-020000-51220 PERF	\$ 10,610.16	
454-02-020000-51230 Health and Life Insurance	\$ 26,546.00	
454-02-020000-53210 Telephone	\$ 1,010.72	
454-02-020000-52430 Uniforms and Tools	\$ 692.48	\$ 118,959.97

Expenses

Bank Charges Equal 6.5% of Program Revenue

Operational expense represented 13.6% of program revenue. Bank charges, the costs of fuel, and the cost of fleet repair apportioned to this segment of the parking system were the three largest expenses for the Neighborhood Zone system (Figure 28).

⁶⁹ Program expenses divided by 4,000 hours of enforcement.

⁷⁰ Staffing costs including benefits divided by 4,000 hours of enforcement.

⁷¹ Total Citation Revenue divided by 4,000 hours of enforcement.

⁷² Total Citation Revenue divided by Total Staffing Expense.

Fees for processing credit cards (the majority of costs), card-processing equipment rental charges, and bank courier fees accumulated to 6.5% of Neighborhood Zone program revenue. Since the City does not accept American Express and 1.4% – 2.3% is an industry standard interchange rate, there is a substantial opportunity to reduce this expense. This matter was beyond the purview of the Parking Commission and was referred to the City's Office of Innovation.

Figure 29: 2016 Neighborhood Zone Operational Expense.

Neighborhood Zone Operational Expenses	Amount	Subtotal
454-02-020000-52110 Office Supplies	\$ 58.04	
454-02-020000-52240 Fuel and Oil	\$ 2,666.82	
454-02-020000-52340 Other Repairs and Maintenance	\$ 137.01	
454-02-020000-52420 Other Supplies	\$ 365.50	
454-02-020000-53620 Motor Repairs	\$ 6,902.00	
454-02-020000-53830 Bank Charges	\$ 8,455.92	
454-02-020000-53830 Bank Charges	\$ (6.49)	
454-02-020000-53990 Other Services and Charges	\$ 518.90	\$ 19,097.70

Detail of System-Related Expenses

Figure 30: 2016 Neighborhood Zone System-Related Expense.

System-Related Expenses	Amount	Subtotal
454-02-020000-53310 Printing	\$ 8,534.19	
454-02-020000-53640 Hardware and Software Maintenance	\$ 277.50	\$ 8,811.69

All-Zone Commercial Permits Generate More Revenue than Any Single Zone

The major program expense as the design and printing of decals and hang-tags issued to residents and visitors. This expense totaled 6% of program revenue (Figure 29) In FY2016, resident permits and visitor permits were sold for \$25, temporary permits were \$5, and all-zone commercial permits were sold for \$55. The City issued 4,007 resident, temporary, and visitor permits and 702 all-zone commercial permits. All-zone permits outpace the two largest residential zone areas—Zone-'1' and Zone '4'—by \$7,500 and \$19,500, respectively (Figure 30).

Revenue Discrepancy between Permits Reported Sold and Revenue Recorded

A discrepancy existed between the quantity of permits reported sold by Parking Services staff⁷³ and the revenue recorded by the City Controller⁷⁴. Based on the number of permits reported sold, fees should have amounted to at least \$139,500 in program revenue, however, only \$131,860 was recorded by the Controller’s Office. This difference could not be reconciled using reports provided by City Legal or the Office of the City Controller, but may be related to the methods used by the Parking Services staff to respond to the Commission’s APRA request or to the special provisions of BMC §15.170-15.210 that, in some cases, do not specify a cost for the issuance of a permit.

Figure 31: Neighborhood Zone Permit Revenue by Permit Type.

Residential Zone Permit Type	Recorded Revenue
Permits - Uncategorized	\$ 210.00
Residential Neighborhood Permits Zone # 1	\$ 30,690.00
Residential Neighborhood Permits Zone # 2	\$ 8,569.38
Residential Neighborhood Permits Zone # 3	\$ 4,430.00
Residential Neighborhood Permits Zone # 4	\$ 18,655.00
Residential Neighborhood Permits Zone # 5	\$ 8,995.00
Residential Neighborhood Permits Zone # 6	\$ 3,000.00
Residential Neighborhood Permits Zone # 7	\$ 9,175.00
Residential Neighborhood Permits Zone # 8	\$ 675.00
Residential Neighborhood Permits Zone # 9	\$ 5,015.00
Residential Neighborhood Permits Zone #10	\$ 1,635.00
Residential Neighborhood Permits Zone #11	\$ 2,430.00
Residential Neighborhood Permits All Zones Service	\$ 38,225.00
Private Parking	\$ 156.00
Total Revenue	\$ 131,860.38

⁷³ Question ‘1’ of the Commission’s APRA request: Please provide a detail of revenue derived from the sale of neighborhood zone stickers, itemized by zone, by month for the calendar year 2016 and 2017-to-date. The complete request and response was attached to the Commission’s May 2017 meeting packet.

⁷⁴ Detailed General Ledger Reports provided by Jeff McMillian, Deputy City Controller. Reports were included in the Commission’s May 2017 meeting packet.