

## Ratepayer Board

June 2, 2005  
1-3PM  
Cheadle Hall, Room 5123

- |                 |  |        |
|-----------------|--|--------|
| I.              | Roll Call  | 1:00PM |
| II.             | Introduction of Guests   | 1:03PM |
| III.            | Approval of the Minutes  | 1:05PM |
| IV.             | Public Comment<br><i>(Any member of the public may address the Board for up to 5 minutes on a Ratepayer related item not scheduled elsewhere on the agenda.)</i> | 1:10PM |
| V.              | Update from the Director   | 1:15PM |
| DISCUSSION ITEM |  |        |
| VI.             | Parking Rates 2005-2006  | 1:25PM |
| VII.            | Meeting Schedule for June  | 2:50PM |
| MISCELLANEOUS   |  |        |
| VIII.           | Other Comments   | 2:55PM |
| IX.             | Adjournment  | 3:00PM |

1 **Ratepayer Board**  
2 **June 2, 2005**  
3 **Minutes**

4  
5  
6 **Members Present:** Marguerite Bouraad-Nash, Greg Foltz, Kostas Goulias, Logan Green,  
7 Marti Lopez, Richard Schmidt and Jin Zhang

8  
9 **Staff Present:** Donna Carpenter, Laura Condon, Marc Fisher, David Gonzales, Martie Levy,  
10 Tana Lucido, Bob Silsbee, Bob Sundberg and Tom Roberts

11  
12 **I. Roll Call**

13 The meeting was called to order at 1:07pm with Sharon Conley and Dan Givens unable to attend.

14  
15 The Ratepayer Board was restored to full membership with the appointments of Marguerite Bouraad-  
16 Nash, Political Science and Global Peace & Security Program and Kostas Goulias, Geography  
17 (replacing faculty members Ian Rhodes and Harold Drake).

18  
19 Jared Goldschen is scheduled to replace Greg Foltz (graduating June 2005) as the undergraduate  
20 Residence Hall Association representative on the Ratepayer Board starting fall 2005.

21  
22 **II. Introduction of Guests**

23 Roman Baratiak, Vic Cox, Jared Goldschen, Doug Kierbel, Dan Manfredonia, Richard Watts,  
24 Pat White and Eric Zimmerman attended.

25  
26 **III. Approval of the Minutes**

27 The minutes from the May 5, 2005 Ratepayer Board meeting were approved as written.

28  
29 **IV. Public Comment**

30 None

31  
32 **V. Update from the Director**

- 33 • The TPS financial unit is working on fiscal closing for 2004-2005 and finalizing the budget for  
34 2005-2006.
- 35 • The TPS events unit is preparing for Commencement 2005.
- 36 • Campus Parking Structure 2 (CPS 2) is scheduled to open January 2006, but TPS is working with  
37 the project manager for the California Nano Science Institute (CNSI) and CPS 2 to determine if  
38 constructions risks and indemnification issues associated with CNSI may be mitigated to allow  
39 CPS 2 to open earlier than January 2006.

40  
41 **DISCUSSION ITEMS**

42 **VI. Parking Rates 2005-2006**

43 After hearing Roman Baratiak (addressing the Board on behalf of Arts & Lectures and event providers  
44 campus wide) advocate that night and weekend parking fees remain unchanged, the Board discussed  
45 the parking permit rate increases for 2005-2006 and voted 4-3 to recommend the following increases  
46 to Chancellor Yang:

- 47 • On October 1, 2005 the monthly parking rate should increase \$1, from \$35 to \$36.
- 48 • On October 1, 2005 the daily parking rate should increase \$1, from \$7 to \$8.
- 49 • On January 1, 2006 the night and weekend parking rate should increase \$1, from \$2 to \$3.
- 50 • On January 1, 2006 the monthly night and weekend parking rate should increase \$5, from \$10 to  
51 \$15.

52 The Board chose to delay any change in the night and weekend rates, in deference to campus event  
53 organizers, until January 1, 2006, allowing time to seek alternative solutions to the increase in the  
54 night and weekend rate. If feasible revenue generating options are not identified the recommendation  
55 will remain unchanged.

56  
57 Consensus was reached after the Board examined:

58 **Rate models presented by Bob Silsbee, Administrative Services Resource Manager**

59 Please refer to "Operating Budget Adjustments, Attachment A" which was also presented at the April  
60 7, 2005 Ratepayer Board.

61  
62 **Rate Increase-Option 1, Attachment A, Page 2**

63 The model assumes an increase to the monthly rate and also assumes that the transient fees for daily  
64 and night and weekend parking will also increase and the combination of those rate increases will  
65 supply the income needed to achieve debt service + coverage, while keeping parking operations  
66 whole.

67  
68 **Income Projections by Rate Type-Option 1**

- 69 • A \$1 increase to the monthly rate (from \$35 to \$36) would generate ~ \$80,000.
- 70 • A \$1 increase in the daily rate from \$7 to \$8 would generate ~\$83,000.
- 71 • A correlating increase (based on the daily rate) would increase parking meter income ~ \$25,000.
- 72 • A \$1 increase to the night and weekend rate, from \$2 to \$3 would generate ~\$75,000 (the monthly  
73 night and weekend permit would increase from \$10 to \$15).

74  
75 The Board questioned what income projections look like once both new parking structures are open  
76 and do the models assume income growth tied to increased parking supply? Income projections  
77 assume a small increase in sales due to parking construction. CPS 2 and 3 will provide replacement  
78 parking and any net gain in parking spaces is very small.

79  
80 **Elasticity of Demand**

81 Demand projections are based on daytime Monday-Friday parking needs. Demand for weekday  
82 parking is the least flexible because that is when the largest captive audience must park. Weekend  
83 demand has some flexibility and night parking appears to have the least demand depending on the  
84 number and size of events scheduled.

85  
86 Transient rate increases have traditionally triggered decreased demand. Further complicating income  
87 modeling for 2005-2006, are the unknown impacts of new TAP initiatives and the loss of 500+ parking  
88 spaces when lots 20 and 21 are lost to construction. The inconvenience factor will be at its peak in  
89 late 2005/early 2006 due to wide spread construction and decreased parking supply could drive some  
90 recreational users away from campus. There was a decline in permit sales during the time the Mesa  
91 Structure was under construction.

92  
93 The timeline for rate increases needs to be sensitive to demand elasticity. Night and weekend fees  
94 that affect event attendees may be better suited to increase once parking inventory is increased when  
95 CPS 2 opens.

96  
97 **Events Deficit**

98 The Board expressed concern over the existing \$200,000 deficit within the TPS events unit (that is  
99 currently backfilled by permit revenue) and wanted to know what measures were being taken to  
100 eliminate the deficit.

101  
102 TPS responded that on May 5, 2005 (Agenda Item VII) the Ratepayer Board heard testimony from  
103 campus event organizers voicing their opposition to any fee increases for night and weekend parking  
104 and the fees TPS charges for event services. Campus event organizers were fearful of fee increases

105 due to the burden it places on their unit's financial health and their event attendees. Because of the  
106 numerous issues (fiduciary and philosophical) involved with eliminating the deficit, TPS expects to be  
107 involved with event organizers for several months in order to develop mutually acceptable solutions.  
108 While event organizers are extremely concerned about any increase to night and weekend parking  
109 fees, there were Board members who asserted that leaving the night and weekend rate untouched  
110 was enacting a conditional rate increase that would not be fair to those groups accepting a rate  
111 increase for 2005-2006. Why should only monthly ratepayers feel the burden of a rate increase?  
112 Parking does not receive tax funds, it is a user paid service and all UC policies from 1960 on reiterate  
113 that mandate. Ultimately, The Ratepayer Board is responsible for the fiduciary health of the  
114 enterprise they oversee and they have a broader responsibility than just one agenda item.  
115

116 ***The Chancellor's Special Advisory Committee On Parking (CSACOP) Recommendations***

117 CSACOP was clear in their final recommendations that night and weekend parking fees were to be  
118 used for parking operations and debt service, however they made no further recommendations on  
119 how campus events (using TPS services) should be paid for.  
120

121 ***Future Items***

122 In order to achieve consensus and move forward with a vote on a rate recommendation, the Board  
123 directed TPS to return in the fall (first meeting) with the results of their work with campus event  
124 organizers to find a solution to the events deficit (currently subsidized by permit revenue) and present  
125 those findings. The Board also agreed that income potential from differential rates should be explored  
126 and directed TPS to prepare for that discussion to take place in fall 2005.  
127

128 **VII. Meeting Schedule for June**

129 The Board agreed to meet again on June 15, 2005 to review the TPS budget for 2005-2006.  
130

131 **VIII. Other Comments**

132 Marguerite Bouraad-Nash asked for a copy of CSACOP's final recommendations and TPS agreed to  
133 forward a copy to all Board members.  
134

135 **IX. Adjournment**

136 The meeting adjourned at 3:07pm.

## Operating Budget Adjustments

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Increased Lock-in Fee Income	\$27,013	adjust budget based on 8 months of actual
Reduced Meter Income	(\$21,268)	adjust budget based on 8 months of actual
<u>Increased Events Income</u>	<u>\$64,000</u>	adjust budget based on 8 months of actual
Total Change in Operating Income	\$69,745	
Reallocation of Staff	(\$114,510)	reallocate parts of DG, TR, BS time to PF, Citati
Reduced Salaries/Benefits Expenses	(\$26,544)	adjust budget based on 8 months of actual (health
Reclassification of Operating vs. Capital Exp.	(\$21,302)	reclassify items from operating to capital budget
Reduced Stack Parking Expenses	(\$13,084)	adjust budget based on 8 months of actual
Increased Campus Recharge Expenses	\$26,985	adjust budget based on 8 months of actual
Reduced Contractual Services Expenses	(\$620)	adjust budget based on 8 months of actual
Increased Other Expenses	\$37,689	adjust budget based on 8 months of actual
<u>Increased Events Expenses</u>	<u>\$8,439</u>	adjust budget based on 8 months of actual
Total Change in Operating Expenses	(\$102,947)	
Total Change in Net Operating Income	<del>+</del> (\$172,692) <del>✓</del>	

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TPS Ratepayer Board Meeting  
(4/7/2005)

## UCSB Transportation & Parking Services Permit Rate Forecast Model Update

	2005-06			2006-07	2007-08
	\$1/MO	\$2/MO	\$3/MO		
<b>Annual Permit Rates</b>					
General Staff/Faculty/Student Permit Rates	\$36	\$37	\$38		
<b>Daily Permit Rates</b>					
Daily Permit Rates	\$8	\$8	\$8		
<b>Night &amp; Weekend Permit Rates</b>					
General Staff/Faculty/Student Permit Rates	\$15	\$15	\$15		
Nightly/Weekend-Daily Permit Rates	\$3	\$3	\$3		
<b>Financial Results</b>					
Beg-of-Year Reserve/Acc Earn'gs Balance	\$1,322,406	\$1,322,406	\$1,322,406		
Total Operating Income	\$5,075,197	\$5,153,130	\$5,230,839		
<u>Total Operating Expenses</u>	<u>\$2,273,006</u>	<u>\$2,273,006</u>	<u>\$2,273,006</u>		
Net Operating Income/(Loss)	\$2,802,191	\$2,880,124	\$2,957,833	→ \$2,883,317	\$3,351,317
Debt Service	\$1,232,106	\$1,232,106	\$1,232,106	→ \$2,306,654	\$2,681,000
Net Operating Income-to-Debt Service Ratio	2.27	2.34	2.40	1.25	1.25
All Other Income	\$98,136	\$98,136	\$98,136		
All Other Expenses	\$1,550,000	\$1,550,000	\$1,550,000		
End-of-Year Reserve/Acc Earn'gs Balance	\$1,440,627	\$1,518,559	\$1,596,269		

\* Future FY Debt Service and Net Operating Income Requirement based on CPS3 financing at 5.5% interest rate and \$380,000 re-borrowing due to reduced capitalized interest.

TPS Ratepayer Board Meeting  
(4/7/2005)

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**Exposure to Financial Risk Increases with  
Lower FY 2005-06 Monthly Permit Rate Increase**

Estimated Operating Income from Other Rate Increases May Not be Realized

TAP Program Success May Reduce Monthly Permit Sales Income (Employee Bus Pass Prog./Incr

STIP Rates May Be Lower than Anticipated Reducing Interest Income


Operating Expenses May Increase Over 0% Estimated for Next FY and/or 1.8% in Future FY's

Annual Audit Assessment of 1.25 Debt Service Coverage May Force Immediate Action on Rates

Parking Operations May be Working Right at the Margin of Financial Feasibility

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TPS Ratepayer Board Meeting  
(4/7/2005)



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