

Transportation & Parking Services

Ratepayer Board

March 3, 2005
9:30-11:00AM
Phelps Hall, Room 1172

I.	Roll Call	9:30AM
II.	Introduction of Guests	9:33AM
III.	Approval of the Minutes	9:35AM
IV.	Public Comment (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.)	9:40AM
V.	Update from the Director	9:45AM
DISCUSSION ITEMS		
VI.	Setting a Meeting Schedule for Spring Quarter	9:55AM
VII.	Vice Chairperson Appointment	10:00AM
VIII.	TPS Operations & Capital Financing Bob Silsbee	10:05AM
IX.	Presentation On Parking Issues Harold Drake	10:20AM
X.	Next Steps	10:50AM
MISCELLANEOUS		
IX.	Other Comments	10:55AM
X.	Adjournment	11:00AM

1 **Ratepayer Board**
2 **March 3, 2005**
3 **Minutes**
4
5

6 **Members Present:** Sharon Conley, Harold Drake, Greg Foltz, Dan Givens, 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 Gene Lucas, Tana Lucido, Bob Silsbee, Bob Sundberg and Tom Roberts
11

12
13 **I. Roll Call**

14 The meeting was called to order at 9:35AM with Ian Rhodes unable to attend.
15

16 **II. Introduction of Guests**

17 Farfalla Borah and Cynthia Cronk from Human Resources and Vic Cox from 93106 attended.
18

19 **III. Approval of the Minutes**

20 The minutes from the February 24, 2005 meeting were approved as written.
21

22 **IV. Public Comment**

23 None
24

25 **V. Update from the Director**

- 26 • As of March 1, 2005 all Access card transactions are verified for available funds when selling
27 parking via the pay stations, eliminating the expense of BARC billing for parking charges.
28 Students are still able to obtain a 30-day night and weekend parking permit, every 30 days, at
29 no charge as per their lock-in fee agreement.
- 30 • Transportation & Parking Services (TPS) will introduce a student guest permit parking program
31 in April. The Board approved, midnight-5AM parking restriction will prevent non-university
32 affiliated motorists from parking on campus during restricted hours, but students will be able to
33 vend 1 guest permit (Access card is necessary to validate registered student status) per 24
34 hour period in lots 4, 5 and 23.
- 35 • The MTD master agreement (signed by MTD) is undergoing review and revision as needed by
36 UCSB's Business Services.
37

38 **DISCUSSION ITEMS**

39 **VI. Setting a Meeting Schedule for Spring Quarter**

40 The Board agreed to meet March 31, 2005 at 9:30AM to resume their fee increase deliberations with
41 the intention to complete the assignment by the end of April.
42

43 **VII. Vice Chairperson Appointment**

44 Ratepayer Board Chair Green is unable to attend the March 31, 2005 Ratepayer Board meeting and
45 asked the Board to elect a Vice-Chair to officiate when the Chair is unavailable. The Board voted
46 unanimously to elect Harold Drake Vice Chair.
47

48 **VIII. TPS Operations & Capital Financing**

49 Administrative Services provided a financial summary comparing Parking Services in 2004/05 to
50 Parking Services 2008/09 when the debt for Campus Parking Structures 2 and 3 (CPS 2 & 3) is fully
51 realized.
52

53 Bob Silsbee, Resource Manager for Administrative Services, distributed "UCSB Transportation &
54 Parking Services Permit Rate Forecast Model" to Board members and guests (please refer to
55 Attachment "A").

56
57 The model examined:

- 58 • Current ratepayer revenue
- 59 • Current operating expenses
- 60 • Financial planning requirements for CPS 3
- 61 • Operating expenses for CPS 2 and 3 (starting 2006/07)
- 62 • Projected operating increases due to general inflation and salary increases
- 63 • Stack parking costs
- 64 • Projected new income derived from rate increases
- 65 • Projected new income derived from sales growth (faculty & staff)
- 66 • Interest revenue

67
68 The model shows current annual operating income = \$4.7 million and current annual operating
69 expenses = \$2.3 million. Debt service + "coverage" for three parking structures will be \$3.8 million
70 annually by 2008-2009, creating a need for additional operating income by 2008/09 to avoid a shortfall
71 of \$1.4 million annually.

72
73 The model assumes a planning interest rate of 6.125% for CPS 3 as mandated by UC Office of the
74 President (UCOP) & the Regents, but a lower rate at a later date is possible as was done for CPS 2.
75 Overall, a lower interest rate might reduce the debt by ~\$100,000 per year.

76
77 In addition to the \$3 million that is due starting in 2008-2009, the university must guarantee
78 "coverage" of .25. In order to qualify for tax-exempt financing, the bondholders and UCOP require the
79 university to demonstrate its ability to repay CPS 2 and 3 debts, therefore they require the .25 margin.
80 That "coverage" is fixed system-wide, allows no deviation and is monitored for compliance (non-
81 compliance carries sanctions).

82
83 There are no increases expected in operating expenses in 2005/06, but the following years are
84 modeled with an increase of 1.8% per year. Along with general inflation and salary increases, two
85 new structures will increase yearly operating expenses ~ \$120,000 (~\$60,000 each to operate, per
86 year). TPS currently spends ~\$163,000 per year on stack parking, which will cease when two new
87 structures open, equaling a \$43,000 savings difference. That will partially offset other operating
88 expenses, but an operating expense increase of \$76,810 will carry forward.

89
90 New income from sales growth is modeled conservatively at 10% (any increase could help offset
91 projected permit rate increases). New income from rate changes is modeled at 81%
92 (subscribed=43%, student lock-in fees=12%, transient=21% and meters=4%), and other income
93 supplies the remaining 9% of revenue needed by 2008/09.

94
95 The Board questioned:

- 96 • Do state budget cuts impact parking rates? No because parking does not receive state funds.
- 97 • Does the reserve account balance earn interest? Yes and STIP revenue increases when the
98 account balance increases. The current balance is under \$1 million and produces less interest
99 revenue than the desired \$1 million+ favored by planners.
- 100 • What does the reserve account fund besides debt? TPS allocates hundreds of thousands of
101 dollars yearly to keep the parking systems and infrastructure sound and operational. Reserve
102 funds also contributed equity to CPS 2 and 3. The combined debt for CPS 2 and 3 is \$31
103 million (down from \$38 million total expense) because \$7 million has already been committed
104 from the reserve account.

105 **IX. Presentation on Parking Issues**
106 Ratepayer Board Vice-Chair Drake addressed the Board on the issue of parking rate increases and
107 reminded the audience that ratepayers have not been represented during campus rate discussions
108 before the formation of the Parking Ratepayer Board. The Board's primary responsibility is to protect
109 parking ratepayers when rates are subject to increase to ensure their fees are not misdirected for core
110 campus services such as security, event services, visitor information, or any other un-funded, non-
111 parking expense.
112

113 Drake asked the Board to look specifically at the parking rate increase assigned to campus ratepayers
114 (faculty, staff and commuting students) that would constitute 43% (\$650,000 yearly) of the "new
115 income from rate changes" outlined in Attachment "A". He further urged the Board to consider his
116 "alternative road map" to \$650,000 that would effectively eliminate the need for an increase to the
117 subscribed rate.
118

119 **Drake's Proposal**

120 To achieve the efficiencies in savings necessary to mitigate the ratepayer contribution, TPS should
121 revise their current budget as follows:

- 122 • Re-allocate \$100,000 currently funding salaries to operations.
- 123 • End the \$250,000 event subsidy.
- 124 • Eliminate \$150,000 from the capital projects budget.
- 125 • Examine the parking budget to identify further cost containment measures for immediate
126 implementation for savings of no less than \$100,000. Call in campus experts to assist, if
127 necessary.
- 128 • Develop a plan to sell advertising deemed acceptable to the campus community to create an
129 alternative revenue stream creating no less than \$60,000 the first year.

130
131 The Board moved and voted (six yes and two no) to request Administrative Services to fully explore
132 the concepts and the funding options put forth by the Vice Chair and return with a new financial model
133 based on those explorations at the next meeting. Acting Vice Chancellor for Administrative Services
134 Carpenter agreed to look in depth at everything proposed by the Board, including risks, and provide
135 those results at the next meeting.
136

137 **X. Next Steps**

138 The Board would like to review the event deficit, current event fees, event practices and how to fund
139 events without a ratepayer subsidy before summer recess.
140

141 **MISCELLANEOUS**

142 **XI. Other Comment**

143 None
144

145 **XII. Adjournment**

146 The meeting adjourned at 10:58AM.

Parking Financial Model Results

UCSB Transportation & Parking Services Permit Rate Forecast Model		
Need for Additional Operating Income		
Current Annual Operating Income		\$4,678,560
Financing Required by FY 2008-09:		
Debt Service for Mesa, CPS2, CPS3		\$3,051,424
<u>Coverage on Debt Service (0.25)</u>		<u>\$752,981</u>
Debt Service plus Coverage (1.25)		\$3,804,404
Difference (Amount Available for Operating Expenses)		
		\$874,156
Current Annual Operating Expenses		\$2,302,953
Difference (Income Needed to Meet Current Operating Exp's)		
		(\$1,428,797)

Parking Financial Model Results

Difference Between FY 2004-05 and FY 2008-09

UCSB Transportation & Parking Services Permit Rate Forecast Model				
Model Results: Difference Between FY 2004-05 and FY 2008-09 (\$)				
Model Results: Difference Between FY 2004-05 and FY 2008-09				
	New Income from Rate Changes	New Income from Sales Growth	Other New Income	Total New Income
Summary of Financial Results				
Subscribed	\$650,286	\$116,618		\$766,904
Night/WE Student Lock-in Fees	\$182,000	\$0		\$182,000
Transient	\$318,313	\$29,772		\$348,084
Meters	\$58,032	\$5,428		\$63,459
Events	\$4,508			\$4,508
Campus Support			\$45,000	\$45,000
STIP			<u>\$95,652</u>	<u>\$95,652</u>
Total Operating Income	\$1,213,138	\$151,817	\$140,652	\$1,505,607
	New Expenses (2 New Structures - Stack Parking)	New Expenses (Wages/Benefits/Supplie s/Equip Inflation)	Other New Expenses	Total New Expenses
Total Operating Expenses	(\$43,000)	\$119,810	\$0	\$76,810
Total New Income minus New Expenses				\$1,428,797

Parking Financial Model Results

Difference Between FY 2004-05 and FY 2008-09

UCSB Transportation & Parking Services Permit Rate Forecast Model				
Model Results: Difference Between FY 2004-05 and FY 2008-09 (Distribution of Proposed Increases)				
Model Results: Difference Between FY 2004-05 and FY 2008-09				
	New Income from Rate Changes	New Income from Sales Growth	Other New Income	Total New Income
Summary of Financial Results				
Subscribed	43%	8%		51%
Night/WE Student Lock-in Fees	12%	0%		12%
Transient	21%	2%		23%
Meters	4%	0%		4%
Events	0%			0%
Campus Support			3%	3%
STIP			6%	6%
Total Operating Income	81%	10%	9%	100%
	New Expenses (2 New Structures - Stack Parking)	New Expenses (Wages/Benefits/Supplie s/Equip Inflation)	Other New Expenses	Total New Expenses
Total Operating Expenses	-3%	8%	0%	5%

Parking Financial Model Results

Difference Between FY 2004-05 and FY 2008-09

UCSB Transportation & Parking Services Permit Rate Forecast Model				
Model Results: Difference Between FY 2004-05 and FY 2008-09 (Equivalent \$/month)				\$81,286
Model Results: Difference Between FY 2004-05 and FY 2008-09				
	New Income from Rate Changes	New Income from Sales Growth	Other New Income	Total New Income
Summary of Financial Results				
Subscribed	\$8.00	\$1.43		\$9.43
Night/WE Student Lock-in Fees	\$2.24	\$0.00		\$2.24
Transient	\$3.92	\$0.37		\$4.28
Meters	\$0.71	\$0.07		\$0.78
Events	\$0.06			\$0.06
Campus Support			\$0.55	\$0.55
STIP			\$1.18	\$1.18
Total Operating Income	\$14.92	\$1.87	\$1.73	\$18.52
	New Expenses (2 New Structures - Stack Parking)	New Expenses (Wages/Benefits/Supplie s/Equip Inflation)	Other New Expenses	Total New Expenses
Total Operating Expenses	(\$0.53)	\$1.47	\$0.00	\$0.94

