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MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Joseph T. Yew, Jr.

SUBJECT: SEE BELOW

DATE: January 27, 2012

Approval

Date

Joseph T. Yew, Jr.

1/27/12

SUBJECT: PARKING REORGANIZATION COST AND EFFICIENCY BENEFITS

INFORMATION

As a follow-up to the Supplemental Report issued on January 27th in response to Council questions posed at the January 25, 2012 Special Budget meeting, this information memorandum addresses question number ten (10): "Why is Parking part of the re-organization and what will the projected savings be?" In addition, Council requested Administration to consider any revenue ideas presented by the Parking Division staff.

The purpose of the reorganization is to better align the core services function to the department which best performs these services (See attached organization chart and core functions). In addition, this proposal will eliminate the Parking Manager position and create an Administrative Service Manager II. This downgrade will result in a savings of approximately \$74,950 annually.

Reorganization Core Services

As outlined below, the City's parking program is proposed to be reorganized from the current structure in which all functions of the Program currently reside in the Finance and Management Agency to place functions that have a business, core service nexus to the relevant department.

- The Revenue Division will continue to have oversight of the Call Center and Adjudication Process to allow for separation of duties from those whose duties are associated with parking enforcement. In addition, Revenue staff they will continue to manage citation refunds, the Residential Parking Permit Program, and payment processing. Furthermore, Revenue Management will continue to be responsible for all collection programs related to the Franchise Tax Board Intercept Program, DMV, State/County surcharges, and the ACS contract.
- The responsibility for repairs, maintenance and oversight of City assets associated with the parking program (such as meters, equipment, parking garages and surface parking lots) will be transferred to the Public Works Agency (PWA). This transition will allow for better oversight of the maintenance crew, especially since staff currently goes to the

City Yard to pick up vehicles and materials before going out into the field. In addition, given that PWA currently performs maintenance on other City facilities and equipment, this is a natural placement for these parking program functions. PWA's management and oversight of the City garages will include all the contracts associated with the garages and the opportunity to explore improving the energy efficiencies associated with City owned facilities.

- The parking enforcement unit will be transferred to the Police Department (OPD). This transfer will facilitate better alignment to OPD's core service of enforcement of laws and regulations. Furthermore, as the City considers moving forward of installing cameras on streets sweeper's, staff assigned to these duties can ultimately be reassigned. This will allow the Parking Enforcement staff the opportunity to be trained to write accident reports which generates revenue but currently is not being pursued. It should be noted that these duties are currently being performed by Parking Enforcement staff in San Francisco. City Administration realizes that adding duties relating to accident reports will require "meet and confer" discussions with the bargaining units before being implemented. In addition, Parking Enforcement Officers have the potential of generating additional revenue by expanding their involvement in the OPD booting program. Staff has identified 55,000 citations which are boot eligible which demonstrates a need to expand this program. By aligning these functions in OPD, the City can realize significant synergies in operational efficiencies, increase the potential for additional revenue for accident reports, as well as reduce the leakage of unpaid parking citation revenue through the boot program.

Parking Division Staff Issues

As the Administration has weighted the options of the proposed reorganization, other issues relating to the parking program have surfaced. The Parking Division staff has examined several other issues which have impacted the City coffers. Staff has expressed frustration of not having proper resources to collect revenue as the result of having inadequate equipment and supplies and have identified new technology that can increase efficiencies and revenues.

- Parking Enforcement Technicians (PCT's) often do not have vehicles that are fully functional and/or are often in the maintenance yard. Most of the vehicles are approximately 17-20 years old. According to PWA there is an average 52 days per year these vehicles are out of commission.
- Meter Collection staff has expressed complaints stating that two of the four vans they use for collection pick up seldom do not work or the hydraulics on the van lifts do not work. These two vehicle issues have resulted in staff not able to write citations and have significantly delayed their ability to pick up meter revenue in a timely manner.
- Meter Collection staff have indicated that the meter door keys utilized to collect the coins are obsolete which impairs their productivity level due to spending several minutes per meter attempting to open them. They have voiced the need to replace the meter door keys to enhance efficiencies.

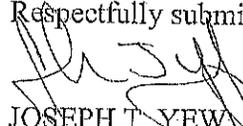
- Budgetary constraints have limited the ability to replace vandalized meters. The City currently has approximately 600-800 meters out of commission. Funds have not been identified to budget the necessary replacements. Delaying replacing these meters will continue to impact our ability to meet our current revenue budget target unless some action is taken immediately.

Parking Division Revenue Enhancements

- Staff is in the process of implementing a pay-by phone program which we anticipate "kicking off" March 1, 2012. This new program could improve the usage by parking patrons which could generate more meter revenue.
- Staff has explored installing debit/credit meters throughout the City which may or may not generate additional revenues. These new meters would definitely improve the usage by parking patrons which could generate more revenue. These new meters would be much more "user friendly" to the community, given the new technology and by reducing the need to carry coins to "feed" the current outdated meters. It should be noted that studies have shown that with these more efficient, user friendly meters, the City may experience a reduction in parking citation revenue.
- Parking staff is exploring a "Sticker Program". This program is similar to the "booting program" but instead of waiting for a vehicle to hit the State's required five citation minimum before a boot can be installed, enforcement staff would place a sticker on vehicles with three (3) or more citations warning the vehicle owner that they have outstanding citations and their vehicle may be subject to being booted in the future. This technique has proven to be very effective in other jurisdictions and could be implemented in the City of Oakland within 60 days.

If you have any further questions, please contact David McPherson, Revenue and Tax Administrator at 238-6550.

Respectfully submitted,


JOSEPH T. YEW, JR.
Finance Director/City Treasurer

