OFFICE OF THE CITY MANAGER

NO. LTC # 146-2011

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LETTER TO COMMISSION

CITY CLERK SUMMISSION

TO:

Mayor Matti Herrera Bower and Members of the City Commission

FROM:

Jorge M. Gonzalez, City Manager

DATE:

June 10, 2011

SUBJECT: GARAGES/PAY ON FOOT (POF) TRANSITION - UPDATE

The following serves as an update regarding the operation of municipal garages within the City's Parking System. The Off-Street Division of the Parking Department manages and operates all attended parking facilities, including municipal garages, through a partial privitization approach. In other words, all labor services are unit price contracted services, either in hourly rate units or service units. For example, parking attendants and security guard services are provided by Impark and Security Alliance, respectively, at a billable hourly rate. Other services such as jantiorial and landscaping are facility based. This approach has been successful as the City uses private sector expertise and their related cost savings; however, the City retains direct control of all management, operations, and policies.

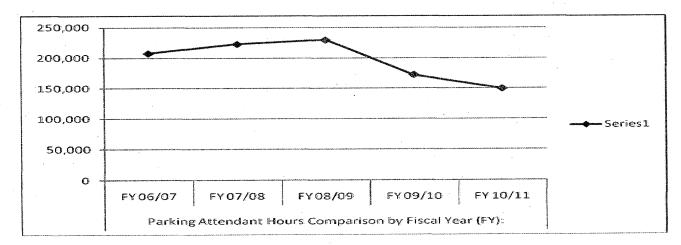
One key goal has been to reduce operational expenses while maintaining or even increasing levels of service. The Parking Department has and will continue to reduce expenses through technology enhancements, such as Pay-On-Foot (POF) stations at its garages. This has resulted in the reduction of labor hours for the parking attendants services. Labor hours for security services has also been significantly reduced by trasitioning to more efficient and effective patrolling strategies. However, it is important to note that expenses have crept up slightly in the current year. These increases are primarily attributed to the effects of the Living Wage Ordinance amendment and will likely result in increased expenses in the next two fiscal years.

# Parking Attendant Hours Comparison by Fiscal Year (FY):

FY 10/11 vs FY09/10 vs FY08/09 FY 06/07 FY 07/08 FY 08/09 FY 09/10 Year: Hours: 207,572 222.945 229,854 172,535 150.000\* (15%)(53%)\$3,320,111 \$3,698,538 \$3,274,416 \$2,492,121 \$2,411,000\*\* (3%)\*\* (36%)Cost:

\* Projected for FY 10/11

<sup>\*\*</sup> Increase in Living Wage Rate offset savings



#### PARKING GARAGE OPERATIONS

# Pay-On-Foot (POF) Stations

The following municipal parking garages are fully operational with POF stations:

Garage No. 2 - 12<sup>th</sup> Street and Drexel Avenue Garage

Garage No. 3 - 13<sup>th</sup> Street and Collins Avenue Garage

Garage No. 7 - 5<sup>th</sup> and Alton Garage

Garage No. 8 - City Hall Garage

Garage No. 9 - Pennsylvania Avenue Garage

Despite the advent of POF stations at these garages, it is necessary to maintain minimum staffing levels at these facilities. Minimum staffing consists of one (1) parking attendant to process disabled parking and/or other validations. The Miami-Dade County Code requires public sector parking facilities to provide disabled parking at no charge. Clearly, technology greatly reduces the need to have a human presence; however, as in any service oriented facility, it is necessary to maintain a human element in the form of one parking attendant to address a myriad of questions and/or operational issues that may arise. These issues include, but are not limited to, lost/damaged garage tickets; equipment failure such as elevators, ticket dispensers, exit verifiers; vehicle breakdowns/accidents; and patron with questions ranging from directions to assistance to locate their "lost "vehicle within the garage. Please note that additional staffing may be required contingent upon increased demand and/or special events in the surrouding area. Please note that transition to POF Station operation at Garage No. 6 – 42nd Street Garage is not recommended due to low transient utilization. The following municipal garages are scheduled to transition fully to POF Station operation:

Garage No. 1 - 7<sup>th</sup> Street and Collins Avenue Garage

Garage No. 4 - Anchor Garage/16<sup>th</sup> Street Garage

Garage No. 5 - 17<sup>th</sup> Street and Convention Center Drive Garage

#### Capital Improvements:

The transition from a "pay at exit" to a "pay on foot" operation requires a number of capital improvements which in some cases may require retrofits contingent upon limitations within the garage. Most significantly, a centralized cashier station must be constructed as part of the garage office; installation of POF equipment at strategic pedestrian pathways and exit lanes; pedestrian pathway safety; ADA accessibility; signage; and removal of existing booth at the exit lanes. The City's CIP Department has selected an Architectural/Enginnering (A/E) firm. CIP and the A/E have received a revised preliminary cost proposal from the contractor for the required improvements and are currently negotiating the A/E fees.

## **Auditing (Treddles) Features:**

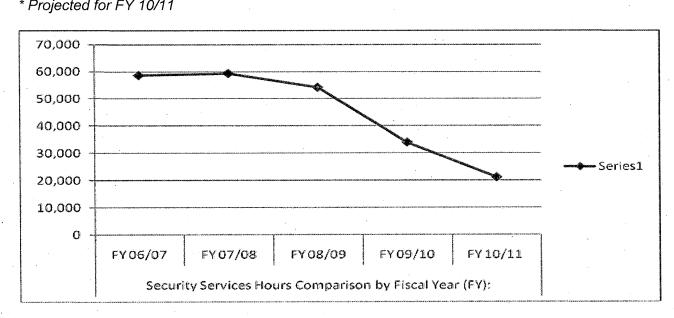
All municipal parking garages currently have a state-of-the-art gated revenue control system in place. This "gated" revenue control system acts as an electronic "treddle" as it tracks and accounts all vehicle entries and exits of each individual garage. Therefore, all entries/exits including transient, access cards, validations, pay-on-foot; pay at exit; and employee identification cards are tracked and monitored. Numerous audits are conducted systematically and on an impromptu basis. These audits are performed by the contractor; parking department personnel; and the City's Internal Auditor. The final and ultimate safeguard is built into the contractor's requirement to reimburse the City for any and all lost revenue, including cash and/or tickets, within 72 hours of notification of the City.

# **Security Services:**

Deployment of security services has also been amended from stationary patrols at each garage individually to roving patrols for all garages collectively. This has resulted in significant savings in labor hours while providing the same level of service.

# **Security Services Hours Comparison by Fiscal Year (FY):**

Year:	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	vs 09/10	vs 08/09
Hours:	58,710	59,398	54,275	34,076	21,288*	(60%)	(154%)
Cost:	\$849,238	\$1,086,013	\$978,263	\$620,757	\$383,184	(62%)	(255%)
* Projected for EV 10/11							



In conclusion, CIP and the A/E will expedite their review of the contractor's proposed project cost in order to complete this project. Clearly, the transition of the remaining parking garages from exit cashiering to POF operations will yield additional savings in labor hours (operating expenses). The Parking Department will continue to closely monitor the usage of all contracted services, including attendants and security, for efficiencies with little or no adverse impacts to service levels.

### JMG/JGG/SF

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C: Jorge Gomez, Assistant City Manager Hilda Fernandez, Assistant City Manager Saul Frances, Parking Director