On February 27, 2014, TAPS reviewed its budget with Vice Chancellor John Meyer and Chief Operating Officer Diane Davies Conley. This same budget report was presented to the Chancellor’s Transportation and Parking Administrative Advisory Committee, The Campus Bicycle Committee and The Transportation and Parking Work Group. At the request of Staff Assembly the budget report was presented to members of Staff Assembly by TAPS Director, Clifford Contreras, Tuesday, June 3 as background for TAPS’ justification for its proposed parking rate increases.

It’s important to note that TAPS proposed parking rate increases have yet to be approved by the Chancellor. The Chancellor has proposed implementing a task force to review parking rates, access and capacity. However, TAPS is at a minimum requesting that the citation rate increase $5 and the daily permit rate increase by $1 to help address TAPS’ projected budget deficit of just over $1 million. Through a combination of rate increases, staffing reductions, maintenance deferral, reducing contracted services with campus departments like Grounds, TAPS feels it will be able to balance its operational budget in the short term.

TAPS is a completely self-supported unit. TAPS is being divided in two conflicting directions: incentivizing alternative transportation, while paying for its programs. Further, TAPS must consider whether it will simply build the number of spaces needed to accommodate growth due to the 2020 Initiative, or if instead will work to change employee and student behavior related to transportation, which would save the program a significant amount of money on infrastructure and maintenance costs.

Due to a number of factors described below, TAPS has seen an 11% decline in parking permit sales over the past six years. One contributing factor is the success of TAPS’ alternative transportation program the goClub. TAPS’ alternative transportation programs are subsidized by a combination of parking citation and permit revenues. Because fewer people are purchasing permits, remaining permit holders are charged more to cover increased operating costs and the lost revenue from individuals who would have otherwise purchased a permit. However, decreasing the number of people purchasing permits allows TAPS to realize significant savings with respect to not having to build new structures or lots to accommodate these individuals.

Staff Assembly members voiced their concern over TAPS communication of its proposed rate changes. Most people in the room were not aware until very recently that rates may be increasing. The concern being they did not have the ability to provide comment before the rate proposal was being presented to the Chancellor for final approval. Clifford’s assertion is that the role of representatives on the Transportation and Parking Administrative Advisory Committee is to inform their various constituencies and help advocate for favorable policies. TAPS has asked that Staff Assembly review staff applications to this committee. The Executive Committee will offer its recommendations and reach out to those individuals to participate in our monthly meetings and provide updates for publishing in the Staff Voice.

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1. What are the substantial changes in TAPS’ operational needs that are driving the rate increases?

- TAPS has seen a 11% decline in permit sales over the last six years
- Conversely, goClub memberships have increased 103% since September 2010
- Without a rate increase in 2014-15, TAPS is projecting revenue of $8,391,355
  - Projected expenses for the same period total $9,450,700, which results in a budget deficit of $1,059,345
- Some of the additional expenses for 2014-15 that would result in this deficit include:
  - General fund realignment ($40k), debt servicing ($260k), increases to direct cost agreement rates ($107k), SSC cost allocation ($2k), salaries ($44k), benefits ($55k), previously deferred lot and structure maintenance ($350k)

2. What is the recent history of rate increases on campus? When have rates been raised and how much were they raised? What were the operational changes that necessitated those increases?

- The chart below outlines the 13-year history of TAPS rate changes. Below the chart is text that outlines the percentage price increase spread over 13 years.
- As a self-supporting department, TAPS increased rates to:
  - Cover any forecasted budget deficits
  - Maintain reserve funds at a minimum of one year debt service
  - Pay debt service on three loans of $3.7 million
  - Provide for adequate maintenance of structures and structure lots

### UC Davis Parking Permit Rate History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>A Increase</th>
<th>C Increase</th>
<th>L Increase</th>
<th>Daily Increase</th>
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<tbody>
<tr>
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</tr>
</tbody>
</table>

Average Increase over 13 years: 2.10%, 2.42%, 3.24%, 6.15%
3. Most units are asked to reduce their costs, even those that are self-supporting units, rather than pass on rate increases. What has TAPS done to reduce its costs as other departments have done?

- Since 2008, TAPS has realized $823,839 in cost savings through increased efficiency and budget reductions, which include:
  - Reducing staffing by five full-time positions, reclassifying one position, and proposing to reduce staffing by one additional position by not rehiring to fill a vacancy
  - Investments in energy efficiency improvements at lots/structures, which reduced electrical costs
  - Reduced expenses related to supplies, marketing, travel and custodial costs
  - Deferred maintenance
  - Reclassifying a position. TAPS is currently proposing reducing by one additional position next year by not rehiring to fill a retiree vacancy

4. What alternatives has TAPS considered instead of raising the rates?

- TAPS is considering a multitude of options in order to balance its operational budget. These options include a mix of revenue increases and cost savings
- Revenue increases would be realized through a combination of options such as:
  - Increasing permit rates at varying levels
    - For example, TAPS is proposing to “widen the gap” in pricing between the A and C permits to reflect the convenience offered by A permits
  - Increase citation fees
  - Implementing a monthly “transportation fee” on all annual permits sold to support alternative transportation
  - Transferring reserve funds into the operating budget
- TAPS has also considered several cost-saving options including:
  - Deferring lot and structure maintenance ($350,000)
  - Eliminating a supervisor position ($67,715)
  - Transfer expenses from parking operations to fines (up to $80,000)

5. What are the potential risks if rates do not increase this year? What services/maintenance/capital improvements would be reduced/deferred?

- TAPS will see a budget deficit in the coming year without an increase in rates and/or a decrease in expenses
- In lieu of increasing rates, TAPS is proposing to:
  - Defer structure and lot maintenance
  - Defer a road and path subsidy
  - Reduce their contracted services with Grounds (less manicured landscaping, lot sweeping less frequently, trash picked up less often, etc.)
  - Eliminate a single parking/maintenance supervisor position, and reclassify an electronics technician position
- Total savings achieved through these steps would amount to $666,193
- Clifford warns that the long-term costs of deferring structure/lot maintenance is far greater than the short-term savings

6. Will there be rate increases for the other types of permits. If yes, can you provide those numbers?

- Any approved rate increases for permits, apart from daily permits, is likely to be frozen for at least the first half of the fiscal year
- TAPS is meeting with the Chancellor soon to discuss TAPS’ proposed rate increases, which also includes increased rates for citations
7. What is the plan for communicating the rate increase to staff, particularly for those individuals who pay through automatic payroll deductions?

- Following TAPS meeting with the Chancellor TAPS will issue a campuswide email concerning the new rate structure
- Since the proposed rates have not been approved, there was nothing included in the most recent permit renewal letter
- Rate changes will also be communicated through various campus publications including Dateline, the Aggie, Staff Voice
- Clifford stated that the role of staff liaisons on the Transportation and Parking Administrative Advisory Committee is to take what happens at the meetings and report back to their various constituencies
  - Clifford cannot force anyone to relay the messages and he stated he didn’t want to create alarm by discussing rate changes before they were approved.
  - Staff Assembly thought this process is backward in that staff need the opportunity to provide comment BEFORE rates are approved
  - Clifford mentioned the Chancellor’s idea of convening a task force on parking rates and hopes that this task force will address communication/outreach to staff

8. Do parking utilization rates show that parking is in such demand as to necessitate the rate increases? If not, what other factors are feeding into rate increases?

- Several factors that contribute to TAPS proposed rate increases include:
  - Decline in annualized permit sales – 11% over the past six years
  - West Village residents are not allowed to purchase parking permits
    - A conscious decision was made to not extend permits to these residents and instead offer mass transit, which would be a cheaper long-term option than building parking structures at a cost of ~$30k for each parking space
  - goClub membership has doubled in the last three years – this program is funded through a mix of rate revenue and citation revenue
  - Bike mode share has increased
  - Rising fuel prices have prompted commuters to look for alternatives to driving alone
  - Ending the deferred maintenance cycle to avoid increased maintenance costs down the road and correcting potential safety/usability issues

9. Daily parking rates are skewed in comparison to monthly rates. For example, the C permit is equivalent to roughly five days of daily parking permit fees. Has TAPS considered not raising (or even slightly lowering) daily rates, in order to incentivize the use of alternative transportation for more commute days, instead of driving alone?

- Based on TAPS’ data, goClub memberships continued to rise following the last daily permit rate increase - $1 in 2013-14, and parking utilization decreased.

10. Would TAPS function more efficiently and perhaps cheaper if the TAPS functions were centrally (UCD/UCDHS) administered?

- When Clifford joined TAPS at the Medical Center, they reported to TAPS on the Davis campus
- For the past 25 years, the two TAPS units have been exclusively separate.
- Would efficiencies be realized through combining them, maybe?
  - However, this is a topic that needs more exploration
11. What consideration did TAPS give to the timing of rate increase? Namely, staff has just seen major changes in healthcare options/costs, as well as increases to retirement contributions; all in the absence of cost of living increases?

- Clifford feels TAPS has been extremely sensitive to the timing of rate increases
- TAPS has deferred maintenance on its lots and structures in order to not raise rates during years without a salary program
- TAPS has not raised its parking rates to their desired levels in the last five years
- TAPS would prefer not to raise rates, but as a self-supporting unit, this is a necessity
  - This year, there is a salary program in place, which will help defray some of the impacts of rate increases
- However, as TAPS’ costs rise, and their maintenance obligations can no longer be deferred, we may see more significant cost increase proposals in the future
- TAPS would prefer to ask administration to allow them small rate increases on an annual basis, which places less of a financial burden on staff

12. For individuals who predominately bike/bus/walk to work, and might be registered with GoClub, would TAPS consider a discounted daily permit booklet to incentivize alternative transportation. Many individuals need more than one free parking pass per month and find it overly costly to supplement this with daily parking permits.

- The more TAPS incentivizes any given program, the less money there is to support the overall unit
- Giving away additional parking permits at a discount will ultimately increase costs for all other paying users
- Incentivizing is a delicate balancing act. How much to invest in alternative transportation, while maintaining a pool of parking customers that fund the program is a balance TAPS pays very close attention to.

13. Employees are prohibited from having two parking permits. Can an employee’s spouse (someone not working for UC Davis) have a permit/EasyPark Personal Parking Meter? The reason being, spouses sometimes need to drop something off or stop for short visits and metered spaces can be full or not available.

- There are no eligibility requirements to purchase an EasyPark Personal Parking Meter
- All staff and visitors may purchase one of these as an alternative to paying for metered parking
  - More details at http://taps.ucdavis.edu/parking/permits/easypark

14. Would TAPS consider an hourly permit machine option similar to other UC campuses? With the daily parking rate increase, is this something TAPS will consider? This wouldn’t require a deposit and reloading funds as is the case with the EasyPark Personal Parking Meter.

- Offering pay by the hour dispensers would require replacement of existing parking machines
  - This would cost $30k-$50k per unit, which is prohibitively expensive at this time
  - TAPS does have hourly parking meters available within its inventory