



ALBANY PARKING AUTHORITY
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10/15/2020

**TO: Honorable Kathy Sheehan, Mayor,
Members of the Albany Common Council,
And City of Albany Budget Director, Michael Wheeler**

SUBJECT: 2020 2nd Quarterly Report

In accordance with the terms of the Comprehensive Parking Meter Licensure and Management Agreement and the Parking Enforcement Management Agreement (The Agreement) between the City of Albany and the Albany Parking Authority (APA), and in conjunction with City Treasurer's office, this report provides revenues, expenses and the impact and effect of the parking meter program and the parking enforcement activities upon on-street availability for the second quarter of 2020.

Additional information including audited financial statements, board minutes, debt schedule, and budget reports can be found here <https://www.parkalbany.com/public-documents>

For the second quarter of 2020 the parking meter revenue was \$93,286 with expenses of \$258,930. This compares to second quarter revenues of \$747,132 and expenses of \$583,088 in 2019. This substantial decline is attributed to the suspension of metered parking in the City, with fees not being collected from March 23rd until June 8th. Even after meter parking resumed, the revenues being collected are only between 40-50% of pre-COVID-19 levels.

Since COVID-19 related shutdowns started in late March, there has been a sharp decline of nearly 73% in daily parkers in the garage and a 12.68% decline in monthly garage customers through the end of the second quarter of 2020. This has resulted in the APA seeing a revenue decrease of over \$900,000 in the second quarter of 2020.

More and more of our customer base uses credit cards for their meter transactions. In 2015 credit card use was 77.01% of all transactions, in 2016 this rose to 78.31%, in 2017 this rose to 79.7%, in 2018 this rose to 82.4%, and in 2019 this was 82.71%. For the second quarter of 2020

our meter credit card transactions reflect 99.19% of all transactions, however, this is most probably an anomaly as app usage went up due to COVID-19.

The ParkAlbany App continues to be a popular option among APA customers since its initial rollout in 2017 and then City-wide rollout in 2018. Currently the app has been downloaded 2,470 times in the second quarter of 2020 (55,647 downloads since inception) and is used on average 152 times per day (Q2, 2020), with the mobile app accounting for 49.82% of all usage (Q2, 2020).

The Authority continues to partner with the Downtown Business Improvement District to offer free parking after 5pm at all garages during the week, and free parking on weekends. This has been a boon to downtown businesses and a way to fight the stigma that there is “no parking” in downtown Albany.

The APA is required to maintain a 1.5 debt coverage ratio and continues to maintain excellent debt coverage ratios for its debt service. In 2016 the APA had a debt coverage ratio of 1.76, in 2017 it was 2.36, in 2018 it was 2.17, and in 2019 it was 2.60. In 2020 the APA is expected to have a 2.04 debt coverage ratio. The current outstanding bond principal is \$8,760,000.00 and interest is \$1,482,956.53. Even with the financial downturn the APA has still been able to meet all of its debt obligations.

In 2015 the APA took over the management of the Parking Enforcement Operations from the Albany Police Department. Since that time, ticket revenue is up and administrative costs have remained flat. Ticket revenue was \$3,531,046 in 2016, \$3,413,575 in 2017 and \$3,733,220 in 2018. Ticket revenue for 2019 was \$3,997,529

2020 total ticket revenue was budgeted at just under \$4M. Revenue collections obviously slowed after Mid-March 2020, and 2Q numbers overall reflect this. For the second quarter of 2020 enforcement revenue was \$801,706, a decrease of approximately \$200,000 compared to 2019, largely due to COVID-19 and the lifting of various regulations. The 2Q totals saw \$802K in revenue on 12,085 tickets paid, while 15,159 tickets were issued, 788 tickets were voided (\$80K), 5145 adjudicated tickets were adjusted for a value of \$191K, and \$324,364 in APA reimbursable expenses. This compares to 2019 second quarter revenues of \$1,033,407 on 16,394 tickets paid, 20,319 tickets issued, 2257 tickets voided (\$238k), and \$356,038 in APA reimbursable expenses. (Previous figures for adjustments always reflected administrative, as well as adjudicated, adjustments i.e., corrected software errors and addition of DMV (scofflaw) and collection fees. The administrative adjustments for software errors have been greatly reduced over the past two years. However, the total adjustments on the attached spreadsheets continue to include positive adjustments for the addition of scofflaw and collection fees. The above figures remove these positive adjustments to provide an accurate picture of adjudicated (PVB and Court) adjustments.

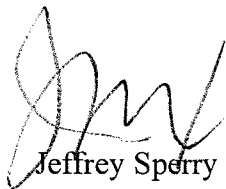
The downside is that this reduction from 2Q 2019 and 1Q 2020 is a significant one, due in large part to the sharp reduction in ticket-writing because of the elimination of metered parking. The upside is that the April-June Amnesty program helped to keep the numbers up a bit and reduced some of our backlog of open tickets. Overall, because of the Amnesty and the very strong performance in enforcement revenues in early 2020, ticket revenue has not been reduced as significantly as other City revenues and has rebounded over the summer and early fall.

The APA and the Treasurer's offices are continuing to monitor and evaluate the ticket vendor's performance, and we are currently negotiating an extension of the current contract. Collection efforts had been at full bore through mid-March, paused for 2 months, and then initiated again during and after the Amnesty.

Since the changeover to Passport, and the implementation of collections with our agent in December 2017, we have generated over \$1.25m in revenue from delinquent tickets with about \$333K collected in 2020 thus far.

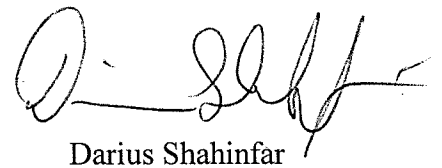
The partnership between the City and the APA is one that continues to be beneficial for both the City and those who live, work and play within the City's limits.

If you have any questions please don't hesitate to ask.



Jeffrey Sperry

Sincerely,



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Chairman, Albany Parking Authority

Treasurer, City of Albany