

**Meeting of the Ann Arbor DDA Operations Committee
Wednesday, May 27, 2020**

Place: Virtual Meeting--Zoom Link: <https://us02web.zoom.us/j/86827141049>
by Phone: 1-877-853-5257
(Meeting ID: 868 2714 1049 Password: 940697)

Time: 11:00 am

Committee Present: Robert Guenzel, Tyler Kinley, Darren McKinnon, Keith Orr, Phil Weiss

Committee Absent: None

Other DDA Present: Jessica A.S. Letaw, Rishi Narayan, Tom Crawford

Other DDA Absent: Micah Bartelme, Alexandra Dieck, Marie Klopf, Molly McFarland

Staff: Susan Pollay, Sara McCallum, Jada Hahlbrock, Amber Miller, Maura Thomson, Kelley Graves

Other Attendees: Mike McKiness/RPS, Chris Simmons/GetDowntown

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Meeting Guidelines: Mr. Weiss read the virtual meeting guidelines outlining the authority given to municipalities to hold electronic meetings during the COVID-19 pandemic to conduct necessary business of public bodies as outlined in Governor Whitmer's Executive Order #2020-75.

COVID-19 Parking Expenditure Reduction Response: Ms. McCallum began with a brief overview of projected parking revenue impacts due to COVID-19, and initial expense reductions, presented last month. Despite a 50% cut to capital projects and reductions in expenses tied to revenues, the impact to the fund balance indicated further expenditure cuts were needed to maintain a positive fund balance.

She said a revised Fiscal year-end 2020 revenue projection now includes actual revenues for April. Receivables as of 4/30 show a 10x increase over last year for this same time period as customers avail themselves of the late fee waiver approved by the board. Staff reviewed all parking system expense areas, and identified what could be cut, eliminated or deferred; taking this action now will put the DDA in a better FY20 year-end position than projected earlier.

Staff also reviewed all parking-related expenses for FY21. Debt service is one area where no cost reductions are possible. The City's 20% and credit card fees which are tied to parking revenues will shrink as revenues decrease. .

Ms. Hahlbrock reviewed the list of anticipated capital expenditures, indicating which will be reduced, deferred, or eliminated. Some expenditures must remain, including the new parking system equipment approved by the Board in January. Fortunately the bids had come in lower than anticipated providing a savings against budget. Once installed, this equipment will add

payment options across the system, although it is still anticipated RPS staff serve patrons in the facilities to assist customers. In light of the pandemic it is worth noting the new TIBA equipment will allow for testing frictionless and touchless payment options.

Working closely with WGI engineers, staff prioritized garage restoration projects to determine if they are urgent or can be delayed. This review netted a potential adjustment of \$1.8M. Staff recommend moving forward with the lighting study but deferring the curb management study until downtown returns to a robust level of activity. Ms. Letaw said she supported this but questioned what the trigger would be to move the curb study forward; Ms. Hahlbrock said it isn't yet clear, but staff will work towards having an RFQ ready for release when the timing is right. Spending in support of the City's 2030 carbon neutrality plan such as adding electricity to the garages for EV chargers will be temporarily deferred but the DDA will reinstitute it as soon as possible. Dollars budgeted for the RPS office have been eliminated.

Ms. Hahlbrock reviewed proposed operational expense reductions including 30% in personnel costs and 20% reduction in administrative, maintenance and subcontractor costs. She stressed that deferring capital repairs is a short-term solution and these repairs must be addressed in a future year.

Ms. McCallum said that if the identified potential adjustments were implemented in their entirety, and if an optimistic set of assumptions about parking revenues are realized, the projected FY21 year-end parking fund balance would be \$7.3M. And, while this is better than the projection provided at the April Committee meeting, Ms. McCallum stated that it is imperative the DDA remain mindful of the high level of uncertainty of these projections during an unprecedented time and that having a higher level of reserves is warranted. Mr. McKinnon suggested that perhaps more severe cuts should be made now. Ms. Hahlbrock and Ms. McCallum said staff will continue to review every expenditure and will continue to keep the Committee informed.

Elevator Repairs Resolutions: Ms. Hahlbrock presented two draft resolutions, asking for committee support to bring them to the board. The first was for elevator repairs at the 4th & Washington. She stated that this is good time to move forward with this repair because there is only one elevator in this garage, and given the current lack of downtown activity, now is a good time to take the elevator off-line. The second resolution would replace the floor, ceiling and canopies in both of the Ann Ashley elevators which are rusted and deteriorated. Both expenditures would be in the FY21 budget. Approval now would allow staff to order the parts and get in the queue for installation. Questions were asked and answered regarding cost, the maintenance agreement with the elevator vendor, disruption, accessibility, aesthetics versus safety aspects of the project. A voice vote showed approval to take the 4th & Washington resolution to the Board and a deferral of the Ann Ashley resolution to next month's Committee meeting so more information could be provided.

Annual RPS Management Fee: Ms. Hahlbrock said that by contract, Republic Parking's annual management fee consists one part that is set, and another portion which is an up-to-\$50,000 amount determined by the DDA. Ms. Hahlbrock outlined in a memo and verbally her view that RPS has done an excellent job this year managing the DDA's parking system, including work that is outside their contract such as overseeing construction and responding quickly to directives from the DDA in response to COVID-19. She strongly recommended that the full \$50,000 be provided to them. Several questions were asked and answered. There was discussion regarding the modifying the contract metrics for assessment; Ms. Hahlbrock said that staff will soon begin work to rebid the contract, and suggested changes will be incorporated into a future contract. There was Committee consensus to take the resolution to the Board.

Resuming Normal Parking System Operations: Ms. Hahlbrock reported that date was delayed again to 6/15/2020 in alignment with the Governor's extended Stay at Home order. The RPS offices and cashier booths have been modified to protect staff and public and to support physical distancing. RPS staff will go through training and daily health screenings. Mr. McKinnon asked that the Committee discuss opening the garages sooner, suggesting that structures be closed to all but permit holders because there is plenty of on-street parking. There was discussion on the pros and cons of this suggestion. Mr. Crawford stated that City and DDA staff have been working with the downtown area associations to develop a plan for closing streets to allow for physical distancing for businesses, pedestrians and bicyclists. There was consensus not to make changes, but instead to reopen when possible by the Governor's order.

Monthly Permit Receivables: Ms. Hahlbrock reported that as of last week 55% of the permit holder accounts are paid up-to-date compared to 90% at this same time last year. She said that at the next committee meeting the Committee will be asked to review a possible timeline for reinstating collection of past due accounts.

Public Comment: Mr. Honeyman expressed his disappointment that the street closure resolution won't be in front of Council until June 15th. He was hoping it would be on this coming Monday's agenda. He also stated that in his experience as a downtown resident and permit holder, the parking structures are currently significantly under-utilized. He also asked the DDA to reconsider the proposed deferment of carbon neutrality related initiatives, asking that they be prioritized and budget dollars be retained for those with high impact because carbon neutrality is critical to our future.

The next Operations Committee meeting is scheduled for Wednesday, June 24, 2020 at 11 am.

The meeting adjourned at 12:48 pm.

Respectfully submitted by Susan Pollay, Executive Director