



BOZEMAN PARKING COMMISSION

RESOLUTION 2020-05

A RESOLUTION OF THE BOZEMAN PARKING COMMISSION OF THE CITY OF BOZEMAN, MONTANA, RECOMMENDING A CHANGE TO THE ANNUAL FEES FOR NEW AND RENEWING PARKING PERMITS ISSUED IN THE RESIDENTIAL PARKING PERMIT DISTRICTS (MSU & BHS).

WHEREAS, the Bozeman City Commission created and empowered the Bozeman Parking Commission pursuant to Resolution Numbers 1676, 1839, 3803, and 4577; and,

WHEREAS, Montana Code Annotated 7-14-4621 sets out the general powers of a parking commission; and,

WHEREAS, the Bozeman Municipal Code, 36.04.350, requires that residential parking permit fee revenues pay for the cost of administering and enforcing a residential parking permit district; and,

NOW THEREFORE, BE IT FURTHER RESOLVED that the Bozeman Parking Commission recommends that the Bozeman City Commission set the fees for residential, employee, and visitor parking permits, within the Residential Parking Permit Districts at \$45 annual, and service permits within the Residential Parking Permit Districts at \$10 annual.

PASSED AND ADOPTED by the Parking Commission of the City of Bozeman, Montana, at a session held on the 9th day of July 2020. This resolution shall become effective immediately.

Jim Ness, Chairperson

Bozeman Parking Commission

ATTEST:

Ed Meece, Parking Program Manager

City of Bozeman

MEMORANDUM

Date: June 16, 2020

To: Bozeman Parking Commission

From: Ed Meece, Parking Program Manager

Re: Residential Parking Permit Districts – 2020/21 Rate Review

On an annual basis, the Bozeman Parking Commission reviews the parking permit rates for the Montana State University and Bozeman High School Residential Parking Permit Districts (BPC resolution #2017-01). Bozeman Municipal Code requires that the Residential Parking Permit Districts (RPPD) must support the cost of administration and enforcement of the districts entirely from permit fees (36.04.350). **For the 2020/2021 RPPD permit period, the Parking Program Manager recommends increasing the RPPD residential parking permits to \$45 per year; a \$15 increase.**

Recognizing the RPPD's have historically operated at a fiscal deficit, the Bozeman Parking Commission has attempted to increase rates incrementally, over a period of several years, to a 'break-even' point of district revenues and expenditures. However, each time the RPPD permit rate increases, the total number of permit holders declines. This situation results in fewer permit holders bearing the costs for administration/enforcement – and the need for a higher level of permit rate increase the following year. To date, even with annual increases, and using a conservative allocation of costs, *the RPPD's have yet to fall below a \$30,000 deficit. **IF** the total number of RPPD permits were to hold constant in 2020/2021, the actual break-even point is \$57 per permit.* At the current trend of permit non-renewals, staff projects that the RPPD's are not fiscally sustainable long term.

For further details regarding analysis of the RPPD revenues/expenditures, please refer to the attached Permit Fee Review spreadsheet. As part of this rate review process, a public information brochure was mailed to each resident of the MSU and BHS residential parking permit districts as well (attached).

Bozeman Parking Commission
MSU and BHS Residential Parking Permit Districts (combined)
PERMIT FEE REVIEW

HISTORICAL REVENUES	Actual #	Actual \$	Actual #	Actual \$	Actual #	Actual \$
	FY 19	FY 19	FY 18	FY 18	FY 17	FY 17
Residential Permits	1340	\$33,500.00	1368	\$34,220.00	1436	\$14,365.00
Employee Permits	249	\$6,241.00	196	\$4,907.00	223	\$2,235.00
Visitor Permits	689	\$17,237.50	892	\$22,310.00	1081	\$10,815.00
Total	2278	\$56,978.50	2456	\$61,437.00	2740	\$27,415.00

REVENUES (YTD)	Actual #	Actual \$
	(5/2020)	(5/2020)
	FY 20	FY 20
Residential Permits	1228	\$37,455.00
Employee Permits	202	\$6,072.50
Visitor Permits	551	\$16,555.00
Service	101	\$1,010.00
Total **	2082	\$61,092.50

EXPENDITURES (Budgeted & Pro-Rated)	Budgeted
	FY 20
Administration	\$36,650.60
Enforcement	\$78,820.75
Total	\$115,471.35
Surplus (Deficit)	-\$54,378.85

Admin. Expenditure Pro-Rated			
	FY20 Budget	10%	25%
Parking Clerk	\$ 48,328.76		\$ 12,080.94
Parking Mngr*	\$ 46,525.56	\$ 4,652.56	
Operating	\$ 199,171.00	\$ 19,917.10	
Total	\$ 24,569.66	\$ 12,080.94	\$ 36,650.60

*50% salary is paid from administration, other 50% is paid from garage
** FY 17 to FY 19, a 30% reduction in permits sold

10% of Admin Budget (Minus Capital) & 1/4 of Parking Clerk
25% of Enforcement Budget (Minus Capital)

FY 21 PERMIT RATE RECOMMENDATIONS	\$35.00	\$40.00	\$45.00	
Residential Permits	1228	\$42,980.00	\$49,120.00	\$ 55,260.00
Employee Permits	202	\$7,070.00	\$8,080.00	\$ 9,090.00
Visitor Permits	551	\$19,285.00	\$22,040.00	\$ 24,795.00
Service (\$10)	101	\$1,010.00	\$1,010.00	\$ 1,010.00
Total				
Total Projected Revenue	2082	\$69,335.00	\$79,240.00	\$ 90,155.00
Total Expenditures (Budgeted & Pro-Rata)		\$115,471.35	\$115,471.35	\$ 111,109.30
Post Rate Adjustment/Surplus (Deficit)		-\$46,136.35	-\$36,231.35	-\$20,954.30

FY 20 RPPD rate increase to \$30 estimated the resulting deficit at (-\$30,830.00) . However, the continuing trend of reduced number of permit holders means that an FY 21 rate increase to \$40 would simply hold the same deficit; not move closer to a self-sustaining district. It has been staff's strategy to recommend small annual increases that move toward a break even financial position over an acceptable period of time. For this reason, staff recommends the new residential parking permit rate be increased to \$45 for the 2020-2021 renewal period.

Bozeman Municipal Code 36.04.350 requires the residential parking permit fee to pay for the administration and enforcement costs of the residential parking permit districts.

City of Bozeman

Residential Parking Permit District

The MSU Residential Parking Permit District (RPPD) in Bozeman was created in 1994 by Ordinance 1377 to reduce parking congestion and better provide adequate parking for residents of the RPPD.

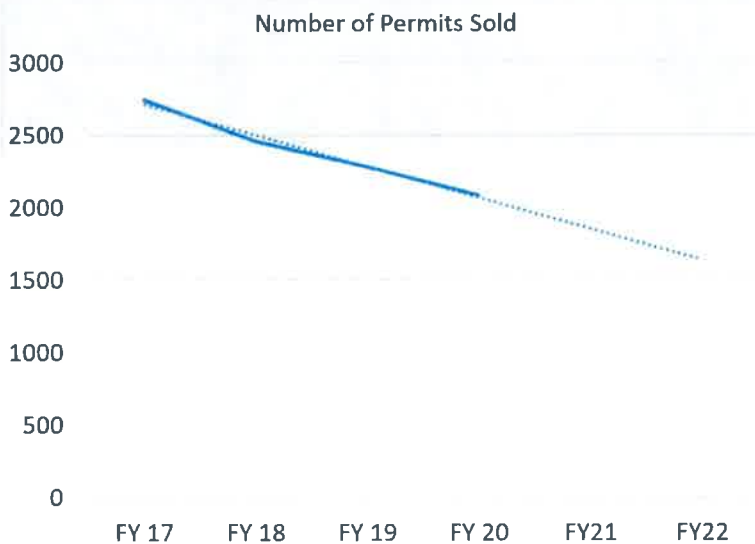
In accordance with municipal code 36.04.350, staff plans to recommend a \$15 price increase to the Parking Commission for a total annual permit cost of \$45.

Over the last several years, permit prices have increased from \$10 to \$30 per year.

Bozeman City Code

36.04.350

The amount of the fees shall be established by resolution at the level that covers the cost of administration and enforcement of the residential parking permit regulations in the residential area.



The solid line is the actual number of permits sold and the dotted line is the projected, continued decline of permits sold in the RPPD.

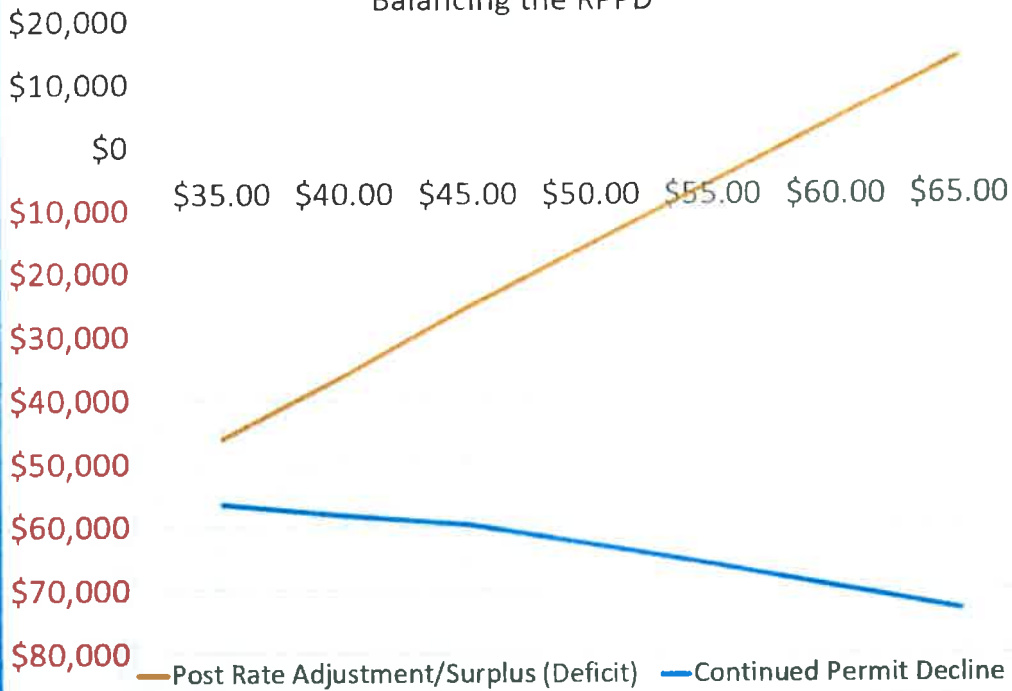
However, due to a consistent decline in the number of permit holders at current prices and number of permits sold, administrative and enforcement costs are not covered as required by Bozeman city code.

The program has averaged a yearly deficit of \$30,000 since Fiscal Year 2017. From 2017 to 2019, the number of permits sold fell by 30 percent.

As shown in the graph on the next page the breakeven point for the program is \$57 per permit (an increase of \$27 from current permit price) *if the number of permits sold remains constant.*

If permit sales continue to fall, the program will never balance despite continued price increases.

Balancing the RPPD



The Parking Commission will consider this staff recommendation along with resident input to make their recommendation to the City Commission.

You can make a comment by calling 406-582-2903 or emailing the Parking Program Manager/Parking Commission at emeece@bozeman.net

The next Bozeman Parking Commission meeting to discuss their recommendation to the City Commission is July 9th meeting at 7:30 AM. You may attend the meeting via webex. The webex link will be on the city website.