



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: November 8, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Ryan Johansen, Chief of Police

SUBJECT: Adopt a Resolution Authorizing the Creation of a Parking Fund, Authorizing the Transfer of \$331,000 From the Downtown Parking Program Capital Improvement Project Into the Parking Fund, and Authorizing the City Manager to Execute a 5-Year Contract With LAZ Parking in an Amount Not to Exceed \$3,000,000 for Services Related to Parking Enforcement Following the Conclusion of the Meet and Confer Process per the Memorandum of Understanding Entered Into Between Police and the City

BACKGROUND:

In January 2019, the San Bruno Downtown Parking Management Plan was prepared by CDM Smith for the City of San Bruno. The study found in their existing conditions analysis that, *"Concern over parking issues in downtown San Bruno has intensified over recent years and outreach efforts have found that residents generally find the current conditions unacceptable. Population and job growth and housing costs have resulted in increased occupancy in the housing in surrounding neighborhoods, resulting in demand for parking that exceeds the existing supply."*

In its Strategic Initiatives for FY2021-22, the City Council included deployment of a downtown parking meter program, and enhancement of citywide parking enforcement capabilities. Based upon their clear areas of overlap, these two initiatives were combined into one joint project between Public Works and the Police Department, with the Police Department taking the lead.

On March 1, 2022, a Staff Report was presented to City Council on the Downtown Parking Meters and Enhanced Parking Enforcement Project. This report provided City Council with an update on staff's progress toward establishing a metered parking program downtown. The report also provided information regarding the challenges and limitations of the police department's current parking enforcement efforts due to limited staffing and court decisions that made it prohibitive to use the conventional tire chalking method for the enforcement of timed parking restrictions. In this report, staff advised City Council of its intention to recommend the establishment of a contracted partner company to augment its parking enforcement efforts, and to help facilitate enforcement of the metered parking program.

Following the above-mentioned meeting, Staff established a phased approach to implementation of the Downtown Parking Meters and Enhanced Parking Enforcement Project.

Under this approach, the first phase would be to enhance existing parking enforcement capabilities to conduct citywide parking enforcement efforts. The second phase would be to establish a metered parking program and establish comprehensive wayfinding signage throughout the downtown area.

This Staff Report deals primarily with the implementation of the first phase of this project but will provide a high-level update on the second phase as well.

DISCUSSION:

As presented in the Staff Report on March 1, 2022, the City's current parking enforcement efforts face many challenges, the first of which is staffing. The Police Department budget allows for two full-time Community Service Officers (CSOs) and three part-time CSOs assigned to the Traffic Section. These CSOs are tasked with parking enforcement throughout the entire city. Those parking enforcement responsibilities include but are not limited to: responding to parking complaints, street sweeping enforcement, abandoned vehicle abatements and tows, proactive enforcement of blocked sidewalks/registration violations/wrong way parking, etc. The current staffing level does not allow for regular citywide parking enforcement, and parking enforcement is only one of the many critical functions that CSOs provide. CSOs are also responsible for providing traffic control at collision and hazard scenes, managing the police department's vehicle fleet, assisting with evidence and property transports, taking low level police reports, running departmental errands, etc. CSOs are absolutely critical to police department operations and provide their services at a fraction of the cost of sworn peace officers. Additionally, CSO is an entry level position that is often occupied by aspiring police officers, which creates frequent turnover in the position. CSOs must undergo a full background investigation, which means that it can often take up to six months to complete a hiring process. All of these factors contribute to difficulty maintaining a fully staffed CSO team to provide their critical services to the City.

As discussed previously, another significant challenge in our current parking enforcement efforts pertains to court decisions that have made it untenable to conduct timed parking enforcement using the conventional method of chalking tires. Essentially, the courts have ruled that placing chalk on vehicle tires may constitute a seizure that is protected under the 4th Amendment. As such, enforcing timed parking restrictions such as those throughout the downtown area while minimizing legal exposure for the City requires the use of vehicle-based Automated License Plate Reader (ALPR) systems. The police department does not presently possess ALPR systems on any of its parking enforcement vehicles, nor does it have access to the backend programs necessary to use ALPR data to conduct parking enforcement.

To ensure more adequate and equitable parking enforcement throughout the City, staff recommends establishing a contract partnership with LAZ Parking. LAZ Parking can quickly deploy staff to provide citywide parking enforcement and to enforce existing timed parking restrictions in the downtown area. Contracted parking enforcement services have been successful in other area cities, including San Mateo, which also partners with LAZ.

By outsourcing to a vendor who will be able to hire and maintain staff who are dedicated solely to parking enforcement duties, and who are operating ALPR equipped enforcement vehicles, the City will realize much more robust and extensive parking enforcement capabilities than current staffing and vehicles allow. It should be noted that the vendor has indicated that they do pre-screen and conduct background checks on their staff, however they do not conduct a full

background investigation as is required for CSOs within the Police Department. Because of this, vendor staff can perform parking enforcement duties, but they cannot perform any of the other critical CSO duties as previously explained in this report. Due to the critical nature of all the services provided by CSOs, and the fact that there will be many activities that LAZ PEOs cannot conduct, the Police Department will need to maintain its authorized staffing of CSOs even as it established this contract partnership.

LAZ Parking has provided a proposal (attached to this Staff Report) to provide for the following:

- Four full-time Parking Enforcement Officers (PEOs) which would provide for parking enforcement coverage from Monday-Saturday from 8:00 AM to 6:00 PM, with 2 - 4 PEOs working each day. The PEOs will wear LAZ Parking polo shirt uniforms, name tags and LAZ Parking badges. PEOs will be equipped with TurboData TicketPro electronic citation writers, identical to those already utilized by Police Department CSOs. Having 2 - 4 full-time PERs working each day would allow for later enforcement hours to manage the heavy-use evening period in the downtown area, which is currently completely neglected due to limited staffing.
- City wide parking enforcement coverage during those days and times including responding to reported parking violations, timed parking enforcement, street sweeping enforcement, and other saturated parking enforcement based on the City's needs. Parking complaints may be reported by calling a dedicated phone number to reach LAZ staff or by using the San Bruno Responds application (Accela).
- One Project Manager and one Regional Manager to manage all the services contracted to LAZ.
- Four ALPR-equipped parking enforcement vehicles which are typically Toyota Prius sedans. The vehicles will be marked as LAZ Parking vehicles, equipped with amber strobe lights, ALPR systems and a GPS tracking system. LAZ Parking is responsible for all vehicle maintenance and insurance. The ALPR system continually reads parked vehicles' license plates and/or vehicle descriptions as a PEO drives the vehicle on patrol. The ALPR system will alert the PEO if it detects a possible vehicle that is parked beyond the allowed time limit or a vehicle that has not paid in a metered location.
- A Parking Enforcement Office will be leased by LAZ Parking within the City to provide a location for their PERs to have a briefing, use a computer, take breaks, and provide parking for their vehicles.

This contract partnership for parking enforcement will immediately improve the overall parking situation throughout the city by establishing regular and consistent enforcement of a wide array of parking violations. This partnership will also enable the City to immediately return to enforcing the established timed parking restrictions throughout downtown and in other designated areas of the City, something that it has been unable to do for well over a year. The lack of enforcement of timed parking has exacerbated impacted parking problems, especially downtown where lack of available parking presents a series challenge for local businesses. Additionally, the ALPR-based enforcement provided by LAZ will be absolutely essential to implementation of the second phase of this project, the installation of metered parking downtown, as well as to the establishment of permit parking districts.

While it will not be covered extensively in this report, Staff is completing preparation work for the second phase of this project, the establishing of metered parking downtown. This second phase will include but not be limited to:

- Creating and adopting a City Ordinance authorizing metered parking, it's enforcement and fines
- Installing approximately 84 T2 Cosmo pay station/kiosks
- Deploying a cloud-based meter and permit monitoring system
- Developing a branded wayfinding and other signage design solution
- Removing current timed parking signage and installing compliant meter signage
- Installing branded wayfinding signage

Establishing a Parking Fund will enable the City to fund the initial costs associated with both phases of this project, while establishing a location for the deposit of revenues associated with citations and meter fees, to help support the ongoing costs of the program, and other initiatives as directed by City Council.

Section 3.3.4 City Rights of the MOU states that prior to modification of contracting or subcontracting of operations currently being performed by the Police Department the City shall meet and confer with the union. The obligation of the City to meet and confer regarding the impacts of contracting operations currently performed by the police department shall not be construed to require the City and the Union reach agreement prior to the implementation of this type of modification. It is important to note the distinction between the obligation to Meet and Confer and Meet and Agree. To Meet and Confer in good faith means the mutual obligation to meet and confer in order to freely exchange information, opinions and proposals and to sincerely endeavor to reach agreement on matters within the scope of representation and discussion. This obligation does not compel either party to agree to a proposal or make a concession. After concluding the Meet and Confer process, the City may implement its proposal. Meet and Agree requires that the parties must reach agreement on the issue at hand. Meet and Agree is not required for this modification in operations, but the bargaining unit has in fact agreed to this operational change, as noted in the following paragraph.

The Chief of Police has met and conferred with the San Bruno Police Association President and has shared the details of this proposed change in operations. The Association President shared these details with the Police Unit membership, which includes the existing Community Service Officers, and subsequently informed the Chief of Police that the bargaining unit supports this proposal. The Association President has since informed Teamsters of this supportive position and requested that Teamsters convey this support in any future communications with the City on this topic. Human Resources will complete the remainder of this Meet and Confer Process prior to moving forward with this contract.

FISCAL IMPACT:

The LAZ proposal is for a 5-year contract with an estimated total 5-year budget of \$2,909,495. Fees are paid to LAZ monthly, and the chart below indicates the anticipated monthly and annual costs over the five years of the contract

Year	Annual Costs	Monthly Costs
1	\$533,952	\$44,496
2	\$556,392	\$46,366
3	\$580,312	\$48,360
4	\$605,817	\$50,485
5	\$633,030	\$52,753

The average monthly cost of this contract is **\$48,492/month**.

The average monthly revenue from parking citations in San Bruno over the past five (5) years has been approximately **\$54,995/month**, but it is important to note that these average monthly revenues are already accounted for and encumbered in the Police Department budget, and therefore cannot be directly used to offset the expense of this contract. That said, based upon deployment of similar programs in other jurisdictions the City can expect a substantial increase in citation revenue with the enhancement of enforcement through this contract partnership. LAZ Parking conducted an analysis of seven (7) of their parking enforcement contract locations in California and determined that in their first year of providing parking enforcement services, their clients increased their parking citation revenues from between 45% and 130%. This is a broad range because it is largely dependent upon the level of preexisting enforcement. As previously stated in this report, the current enforcement level here in San Bruno is quite minimal in terms of consistent citywide efforts. As such, it is likely that the increase in citation revenues that San Bruno would experience under this contract would be closer to the top end of this range. While compliance normally increases over time with steady parking enforcement, data from LAZ indicates that most cities experience a sustained increase of between 40% and 50% over existing revenue levels in subsequent years. While it is impossible to predict the exact increases that will be experienced here in San Bruno, the chart below provides a conservative but reasonable projection of the increased citation revenues against the estimated monthly cost of the program over the five-year contract term.

Year	Monthly Vendor Cost	Estimated Increase in Monthly Citation Revenue	Estimated Net Fiscal Impact Monthly
1	\$44,496	\$49,496	+ \$5,000
2	\$46,366	\$27,497	- \$18,869
3	\$48,360	\$27,497	- \$20,863
4	\$50,485	\$27,497	- \$22,988
5	\$52,753	\$27,497	- \$25,256

As the above chart indicates, the enhanced parking enforcement services are likely to result in a net average cost to the City of approximately \$16,595/month, or approximately \$200,000/year over the 5-year contract.

Again, it is important to note that given the relatively minimal level of enforcement currently being conducted, it is entirely likely that San Bruno will see notably larger increases in citation revenues than those utilized in the above chart. Additionally, the benefits of this enhanced enforcement are absolutely consistent with the recommendations from the San Bruno Downtown Parking Study Final Parking Management Plan, the Downtown Parking Meters and Enhanced Parking Enforcement Project, and City Council's Strategic Initiatives for FY 2021-22.

It is also important to recall that there are two phases to this project, and that Staff expects that the project as a whole, once fully deployed, and operational, will produce a net positive fiscal impact.

For Phase Two, there will be an initial capital improvement expense associated with purchasing and installing parking meters in and around the downtown area (estimated to be \$1,000,000). Once installed, the parking meters will generate substantial revenue for the City. Surveys of other cities reveal that each metered parking space is estimated to generate between \$225 - \$309 per month in meter revenue, and there are an estimated 839 parking spaces within the proposed metering area. This equates to between \$188,775 - \$259,251 per month, or between \$2,265,300 - \$3,111,012 annually, in estimated meter revenues. The chart below estimates the overall **annual fiscal impact** of this program, using the median of the estimated meter revenue range (\$2,688,156). The estimated meter revenue and meter cost in Year One are zero as the meters are not likely to be installed until sometime later in that year.

Year	Enforcement Vendor Cost	Metering Cost	Total Cost	Increased Citation Revenue	Meter Revenue	Total New Revenue	Net Fiscal Impact
1	\$533,952	\$0	\$533,952	\$593,952	\$0	\$593,952	\$60,000
2	\$556,392	\$65,520	\$608,218	\$329,964	\$2,688,156	\$3,018,120	\$2,409,902
3	\$580,320	\$65,520	\$645,840	\$329,964	\$2,688,156	\$3,018,120	\$2,372,280
4	\$605,820	\$65,520	\$671,340	\$329,964	\$2,688,156	\$3,018,120	\$2,346,780
5	\$633,036	\$65,520	\$698,556	\$329,964	\$2,688,156	\$3,018,120	\$2,319,564
TOTAL	\$2,909,520.00	\$262,080.00	\$3,157,906.00	\$1,913,808.00	\$10,752,624.00	\$13,722,384	\$9,508,526

As the above chart illustrates, Staff estimates a net gain of approximately \$9,508,526 over the 5-year term of the proposed contract. Even when accounting for the estimated cost of purchasing and installing meters (\$1,000,000), there is an estimated net gain of approximately \$8,508,526 over that 5-year period.

City Council previously allocated \$331,000 to the Capital Improvement Project (CIP) for the Downtown Parking Program in the current CIP budget from the Streets Special Revenue Fund (Centrum Settlement). Staff recommends transferring the \$331,000 in the CIP budget into the newly established Parking Fund, as all expenses and revenues related to the proposed LAZ contract for parking enforcement, parking meter installation as well as citation and future parking meter revenue will be accounted for in the fund. As illustrated in the final chart above, increased citation revenues are projected to offset the entirety of this expense over the course of the year, and those revenues will be deposited into the newly established Parking Fund as they come in. That said, citation revenues are not received in real-time and it will take some time for LAZ to put all of its resources in place.

The initial seed funding of \$331,000 in the Parking Fund will provide sufficient funds to cover the LAZ contract for the remainder of the 2022-23 fiscal year. Staff intends to come back to City Council with recommendations regarding the FY 2023-24 Parking Fund Budget as well as funding for Phase Two, including the projected \$1M cost for the purchase and installation of parking meters in the coming months.

ENVIRONMENTAL IMPACT:

There is no environmental impact.

RECOMMENDATION:

Adopt a resolution authorizing the creation of a Parking Fund, authorizing the transfer of \$331,000 from the Downtown Parking Program Capital Improvement Project into the Parking Fund, and authorizing the City Manager to execute a 5-year contract with LAZ parking in an amount not to exceed \$3,000,000 for services related to parking enforcement following the conclusion of the Meet and Confer Process per the Memorandum Of Understanding Entered Into Between Police and the City

ALTERNATIVES:

1. Take no action now and pause Phase 1 of the Downtown Parking Meters and Enhanced Parking Enforcement Project, until the implementation of parking meters (Phase 2) is underway.
2. Direct staff not to execute a contract with LAZ parking and identify an alternative vendor or staffing plan following the conclusion of the Meet and Confer process per the Memorandum Of Understanding entered into between Police and the City
3. Take no action and continue limited parking enforcement with available Police Department Community Service Officers and do not proceed with parking meter installation.
4. Request additional information from Staff prior to taking action.

ATTACHMENTS:

1. Resolution
2. LAZ Proposal for Parking Enforcement Services
3. T2 Systems Proposal for Parking Meter Program