



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
September 5, 2012**

TO: Mayor and City Council
FROM: Tim Tucker, City Engineer
SUBJECT: Parking Meter Trial Upgrade Project
DATE: August 31, 2012

RECOMMENDATION:

Motion authorizing staff to terminate the Parking Meter Trial Upgrade Project and return the meter devices to IPS Inc.

DISCUSSION:

The Parking Meter Trial Study has come to an end. Unfortunately, the study has not found any financial incentives during the test period to justify keeping the IPS meter heads on a permanent basis. Credit card transactions comprise only 10% of the meter revenue. With our low credit card use and meter rates (credit card transaction amounts), the City transaction fees and monthly system maintenance costs from IPS exceed the revenue generated through credit card transactions. Staff has withheld payment from IPS for July and August since assurances were made in our agreement with IPS to safeguard City revenue levels prior to the test period.

The test took place on Main Street starting in mid May. Main Street is a two hour zone with a rate of \$0.50 per hour. Attached is a Monthly Statistics Summary generated through the online meter software. It should be noted that in mid July the minimum credit card transaction was set at \$0.50. The percent credit card transaction (by revenue) did not increase significantly during the study. The use hovered near 10% with a range between 9% and 11%. The average number of credit card users per meter did not increase over the life of the study. Approximately 4.5% of parkers used credit cards. Finally, as expected, the average credit card transaction was significantly higher than cash transaction. In August the average cash transaction was \$0.39 vs. \$0.82 for average credit card transaction.

Staff concludes that the City low meter rates do not provide incentive for parkers to resort to credit card use. This coupled with the relatively low average credit card transaction amount could not offset the total City cost per credit card transaction.

BACKGROUND:

The City upgraded the Downtown parking meters approximately seven years ago replacing mechanical parking meters with electrical MacKay meters. Since that time parking meter technology has advanced significantly. Many communities including Walnut Creek and San Francisco have modified their meters to accept credit card payments. IPS Inc. is the leading company providing this technology. They have an office based in San Diego. IPS claims many benefits to their system. IPS offered a 90-day field trial to the City for an evaluation of their product. The trial was extended through September so that adequate data could be obtained and reported to the Council.

Although the meters do not prove to be financial prudent for the City the IPS system offers many advantages over the MacKay coin readers. These advantages include easier reading text, internet reporting, solar powered devices, ease of programming and reporting and convenience to downtown shoppers.

FISCAL IMPACT:

With our low credit card use and meter rates (credit card transaction amounts) the City transaction fees and monthly system maintenance costs from IPS exceed the revenue generated through credit card transactions.

Credit Card Revenues and expenses:

Month	Credit card revenue	City bank fees	IPS fees	Difference
June	\$314	\$86	\$419	(\$191)
July	\$286	\$100	\$409	(\$223)
August (est.)	\$343	\$100	\$410	(\$167)

ACTION:

Motion authorizing staff to terminate the Parking Meter Trial Upgrade Project and return the credit card meter devices to IPS Inc.

Attachment: Monthly Statistical Summary

APPROVED BY:


City Manager

Attachment A

Monthly Statistics

	May	June	July	Aug
# Meters Reporting Revenue	63	62	62	62
Total Cash	\$953	\$2,798	\$2,778	\$2,747
Total Credit	\$94	\$314	\$286	\$343
Total SmartCard	\$0	\$0	\$0	\$0
Total Revenue	\$1,047	\$3,112	\$3,064	\$3,090
Cash %	91	90	91	89
Credit %	9	10	9	11
SmartCard %	0	0	0	0
Avg Cash/Meter	\$15	\$45	\$45	\$44
Avg Credit/Meter	\$1	\$5	\$5	\$6
Avg SmartCard/Meter	\$0	\$0	\$0	\$0
Avg Revenue/Meter	\$16	\$50	\$50	\$50
# Cash	2,485	7,480	7,253	7,122
# Credit	145	481	402	418
# SmartCard	0	0	0	0
# Total	2,630	7,961	7,655	7,540
Avg # Cash/Meter	39	121	117	115
Avg # Credit/Meter	2	8	6	7
Avg # SmartCard/Meter	0	0	0	0
Avg # Total/Meter	41	129	123	122
Avg Cash Trans	\$0.38	\$0.37	\$0.38	\$0.39
Avg Credit Trans	\$0.65	\$0.65	\$0.71	\$0.82
Avg SmartCard Trans	\$0.00	\$0.00	\$0.00	\$0.00
Avg Trans	\$0.40	\$0.39	\$0.40	\$0.41

May 21 Through Aug. 29