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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

SUPPLEMENTAL AGENDA REPORT

2010 JUN 17 PM 4:29

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: FMA/Parking Operations
DATE: June 22, 2010

RE: **Resolution Authorizing the City Administrator to Negotiate and Execute a Contract Between the City of Oakland and Scheidt and Bachmann USA, Inc. to Provide a Parking Access and Revenue Control Systems (PARCS) Not to Exceed \$2,500,000**

This information supplements the full report on this subject, and clarifies the cash flow results of implementing the automation of the City's garages with the Parking Access and Revenue Control Systems (PARCS). The full report accurately depicts the budget impact of installing the PARCS improvements, but may not be clear as to the cash flow effects. The table below, which is also on page 3 of the full report, shows the budget adjustments that staff estimates would occur as a result of automation:

Difference in Budget

Cost	FY FY 2010-11	FY 2011-12	FY 2012-13 to FY 2017-18	TOTAL FY 2010-11 to FY 2017-18	Annual After 1 st 7 Years
<i>Annual Change in Revenues and Expenses</i>					
Increase in Revenues from Automation	\$ -	\$ 583,800	\$ 583,800	\$ 4,086,600	\$ 583,800
Less: Previously Budgeted Increase	(100,000)	(100,000)	(100,000)	(800,000)	(100,000)
Less: Lease Payments	(147,000)	(420,000)	(420,000)	(3,087,000)	
Less: Increased Maintenance Costs	-	(81,400)	(81,400)	(569,800)	(81,400)
Total Increase (Decrease) in Net Revenues	\$ (247,000)	\$ (17,600)	\$ (17,600)	\$ (370,200)	\$ 402,400

The budget adjustment is because the original budget estimates are higher than the current estimates. However, in comparison to current actual results, the cash flow would be positive, as shown in the table below:

Cost	FY FY 2010-11	FY 2011-12	FY 2012-13 to FY 2017-18	TOTAL FY 2010-11 to FY 2017-18	Annual After 1 st 7 Years
<i>Annual Change in Revenues and Expenses</i>					
Increase in Revenues from Automation	\$ -	\$ 583,800	\$ 583,800	\$ 4,086,600	\$ 583,800
Less: Previously Budgeted Increase	-	-	-	-	-
Less: Lease Payments	(147,000)	(420,000)	(420,000)	(3,087,000)	-
Less: Increased Maintenance Costs	-	(81,400)	(81,400)	(569,800)	(81,400)
Total Increase (Decrease) in Net Revenues	\$ (147,000)	\$ 82,400	\$ 82,400	\$ 429,800	\$ 502,400

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The estimated result is a positive cash flow after the first fiscal year, aggregating over \$400,000 over the term of the lease. After the lease payments cease, annual cash flow is estimated at over \$500,000 per year.

Respectfully submitted,

Noel Pinto

Noel Pinto
Parking Operations Manager

Prepared by:
Joe C. Litten, Administrative Services Manager II
Parking Administration

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:

[Signature]

Office of the City Administrator

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