

**CITY OF OAKLAND**  
*AGENDA REPORT*

OFFICE OF THE CITY CLERK  
2006 APR 12 PM 1:44

TO: Office of the City Administrator  
ATTN: Deborah A. Edgerly  
FROM: Finance & Management Agency  
DATE: April 25, 2006

**RE: Resolution Authorizing the Replacement of Outdated Single-Space Parking Meters with Modern Multi-Space Parking Meters and Authorizing the City Administrator or her Designee to Execute a Contract for the Purchase of Approximately 500 Multi-Space Parking Meters with Cale Parking Systems USA and Authorizing the Execution of a Lease Transition With a Financial Institution to Finance the Multi-Space Parking Meters, for the Parking Meter Replacement Project, and any Costs Related to the Financing for an Amount Not-to-Exceed \$4,500,000**

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**SUMMARY**

Staff recommends the replacement of approximately 5,000 single-space meters (or 65% of total meters) with approximately 500 Cale Parking Systems, USA (Cale) multi-space meters. The multi-space meters will replace aging and malfunctioning meters that are over seven years old. The new meters will be installed in high-yield revenue areas to maximize short-term parking availability and enhance and support the business districts.

Cale multi-space meters are difficult to vandalize and less prone to malfunctioning. The multi-space meters provide a receipt with date and time of purchase for every transaction. The meters will also accept credit/debit cards for ease of use. These attributes make multi-space meters a more reliable and efficient alternative to single-space meters.

The total cost to purchase and install approximately 500 multi-space meters will not exceed \$4,500,000. Staff recommends Council authorize the execution of a lease financing agreement in amount not to exceed \$4,500,000. Excess revenues generated from the new multi-space meters will pay the debt service for this lease transaction.

**FISCAL IMPACT**

It is projected there will be no net fiscal impact resulting from replacing approximately 5,000 single-space meters with approximately 500 multi-space meters. Additional parking meter revenues will offset the operating costs and debt-service payments. Staff is requesting a FY 2006-07 budget increase of \$1,580,000 within the Parking Division's General Purpose Fund (1010), Meter Operations Organization (08931) to cover the annual \$720,000 debt-service payments for seven years, approximately \$860,000 for ongoing operating costs (communications, paper, credit card fees), and one-time cost for installing signage. The total increase in appropriations will be offset by a \$1,580,000 increase in parking meter revenue as a result of the more reliable and efficient multi-space meters.

Item # \_\_\_\_\_  
Finance and Management Committee  
April 25, 2006

FMA – Resolution Authorizing Multi-Space Meters

The Parking Division's budgeted parking meter revenue for FY 05-06 is \$7,933,189 and \$8,545,293 for FY 06-07. Staff determined that approximately 500 multi-space meters should be installed in the high-yield revenue generating areas as the revenue from these multi-space meters represents approximately 80 percent of the projected parking meter revenue for FY 06-07. From experiences shared by other cities that have implemented this system, staff projects additional revenue in the amount of \$1,580,000 from these new meters for FY 06-07. The additional revenue and expenditures will be adjusted during the mid-cycle budget for FY 2006-07. All multi-space meters are projected to be installed within six months, by December 2006, and the table below summarizes the roll out plan:

Month	Route Number	No. of Multi-Space Meters Required (Approx.)	No. of Single-Space Meters Currently (Approx.)
July	2	87	866
Aug.	1	58	576
Aug.	Grand Lot	7	77
Aug.	5	35	350
Sept.	5	42	421
Sept.	7	40	408
Sept.	4	17	170
Oct.	4	34	339
Nov.	8	31	314
Nov.	8	39	396
Dec.	10	24	198
Dec.	6	45	389
Dec.	9	29	290
Dec.	Piedmont Lot	12	126
<b>Total</b>		<b>500</b>	<b>4,920</b>

Route No.	Streets within Routes
1	Piedmont Ave: (Macarthur - Pleasant Valley) College Avenue – Broadway - Alcatraz
2	Police Station: (6 <sup>th</sup> – 10 <sup>th</sup> Street) Court House
4	Chinatown: (Broadway Harrison) & (7 <sup>th</sup> – 14 <sup>th</sup> Street)
5	Webster – Harrison: (14 <sup>th</sup> – 21 <sup>st</sup> Street) Broadway/Franklin: (14 <sup>th</sup> St. – W. Grand Avenue)
6	Pill Hill & 34 <sup>th</sup> : (Telegraph – Webster)
7	Upper Grand & Lakeshore
8	Montclair, Lasal, Medau Place & International (23 <sup>rd</sup> – 38 <sup>th</sup> Avenue)
9	Grand Lot, Upper Park Blvd: (4 blocks) Broadway: (23 <sup>rd</sup> – 27 <sup>th</sup> St. & Mosswood area – 30 <sup>th</sup> St.) 40 <sup>th</sup> – 45 <sup>th</sup> : (8 blocks) Telegraph: (63 <sup>rd</sup> – Alcatraz) East 18 <sup>th</sup> : (Park Blvd. - Lakeshore) Grand Avenue: (Broadway – Harrison) 21 <sup>st</sup> Street: (Webster – Harrison)
10	Lower Grand Ave/Harrison to Lakepark/11th thru 16th/Broadway to Castro/Telegraph/36th to 57th and MLK

## BACKGROUND

Meter zones (areas) were adopted by City Ordinance, Chapter 10.36, and Oakland Municipal Code, as mandated in the California Vehicle Code. The purpose of installing parking meters was to create more effective turnover of vehicles for commerce and provide more efficient enforcement. The parking meter is essential for visitors and shoppers in downtown and commercial districts. At its December 13, 2005 Committee Meeting, the Finance Committee requested staff provide a report on the City of Oakland's parking meters.

Over the past five years, staff has conducted pilot tests of products from multiple meter companies to find the best solution for the City's parking meter issues. Testing was conducted in the following areas: Piedmont Lot, Grand Lot, Chinatown and Webster Street.

- The pay stations that were installed in the Piedmont Lot were not user friendly and staff received a lot of complaints that these machines required pushing a button to the desired time at increments of three minutes, which meant pushing the button up to 40 times for 120 minutes or two hours.
- The Grand Lot pay stations went into a sleep mode, which made the users believe the machines were out of order.
- The Chinatown machines were constantly breaking down and required excessive routine servicing. The City of Berkeley reported that they experienced similar types of problems with the identical machine brand during their pilot program.
- On Webster Street, citizens reported that they experienced between 30-50 seconds of wait time to complete a credit card transaction, which they felt was an excessive amount of time.

As the use of meters has increased, the City has received an increasing number of complaints regarding the number of broken and/or vandalized single-space meters. The Parking Division is currently conducting a pilot program with Cale Parking systems, USA (Cale) multi-space meters. About 12 multi-space meters are installed on 12<sup>th</sup> Street, Clay Street, and Jefferson Street and four multi-space meters are installed on Webster Street. Staff has received positive feedback from both citizens and employees regarding the Cale meters. Based on comments from the citizens, Cale multi-space meters are user friendly, receipts print outs are bold and easy to read, and the machines accept credit cards, as well as coins.

Why should the City of Oakland invest in Cale brand multi-space meters?

- Cale system will provide alarm indicators whenever there is a need for human intervention, such as receipt paper is low, machine needs collection, clear printer jam, low battery, power failure, meter out of order, open door, etc.
- Cale reports and financial data are downloadable, producing a financial audit trail, which can be compared against the funds collected. The current single-space meters are not capable of providing any financial reports to compare against collected funds; therefore,

- there is no audit trail with single-space meters. Cale meters' cash boxes are self-locking and the collector has no access to the funds.
- Cash boxes have a transaction report which transmits the information via two-way communication during the fund collection, which indicates the time, date, meter number and funds collected.
  - Cale multi-space meters provide convenience to citizens. They can pay their meter fees with credit cards or coins.
  - Cale meters create greater sidewalk spaces and are not barriers to pedestrians.
  - Cale meters are made of steel and are difficult to vandalize; and reject foreign coins and slugs.
  - Cale meters provide receipts, which indicate the date and time of purchase, the time and date of expiration, amount paid and the meter number.
  - Cale machines are capable of displaying customized messages, such as "HOLIDAY, FREE PARKING IN OBSERVANCE OF ....." etc.

## **KEY ISSUES AND IMPACTS**

### **Broken and/or Vandalized Meters**

When vehicles are parked at a vandalized/broken meter, vehicles can park free for the posted time limit for that meter. Currently, the City is losing revenue on non-functional parking meters.

Cale meters are less vulnerable to vandalism, as they contain automatic coin shutters, which open for coin insertion, but not for objects such as plastic, wood, cloth, and non-metal. In addition, the coin validator rejects foreign coins and slugs. Because they are difficult to vandalize, the meters are less likely to be rendered non-functional. In addition, if a multi-space meter is out of order, the vehicle operator has the opportunity to pay at another station located nearby and obtain a receipt.

Cale meters offer improved maintenance, which means that City maintenance personnel will be able to use Cale's wireless communications and the self-diagnostics system to identify any meter problems and dispatch city personnel. Therefore, meter repair will occur much faster than the current method employed with single-space meters. Currently, the Parking Division relies on City Maintenance, Enforcement or Collections staff and/or concerned citizens to identify and report out-of-order meters.

### **Improving the Appeals Process**

*Cale multi-space meters will not only decrease the number of appeals, it will also create a more accountable and transparent appeals process. The new meters will print out a receipt for every transaction, which includes purchase date and time and the expiration date and time. The receipt serves as proof of payment.*

### **Comparing Time Zones and Metered Parking Spaces**

The use of meters results in more efficient enforcement of time zones, as enforcement staff only needs to drive by once to determine which vehicles have overstayed the time limits. Without

meters, enforcement staff would need to drive by twice: one time to chalk tires or record license plates and a second time to issue citations.

### **Contract Cost, Financing and Implementation**

The cost to install approximately 500 multi-space meters, each of which covers between 10-12 single spaces, is approximately \$4,500,000, and will replace approximately 5,000 single-space meters. Currently, the City has approximately 5,000 single-space meters that are over 7 years old and are prone to vandalism. In the last two years, staff has replaced approximately 2,700 aging and malfunctioning single-space meters with more efficient parking meter mechanisms. These single-space meters, primarily located in Chinatown, will be removed and installed in other areas that are not considered high-use areas, i.e., where the demand for short-term parking is not as high as downtown or in business districts.

The purchase price of multi-space meters will include the costs associated with the initial on-street support and installation of the new meters. Staff will install the meters, alongside Cale support staff, and receive comprehensive training on the multi-space meters. Staff will continue to perform the maintenance on the remaining 2,700 single-space meters and will perform preventive maintenance of the approximately 500 multi-space meters. No additional cost will be associated with the removal of the old single-space meters.

Cale is recognized as the meter manufacturer that solved the issue of parking meter vandalism in the City of Berkeley. Berkeley has recently doubled the number of Cale meters from 35 multi-space meters to 71 multi-space meters and plans additional installations in the near future. The City of Berkeley conducted an extensive RFP and a selection committee was established to evaluate all the proposals submitted. Based on thorough analysis, interviews, equipment demonstrations and testing, Berkeley awarded the contract to Cale Parking Systems USA, (Cale). Since it is permissible, under the State of California purchasing laws, for the City of Oakland to purchase Cale meters under the same contract as Berkeley, staff requests to waive the bidding process and “piggy-back” off of Berkeley’s contract, thereby saving time, additional expenses related to the bidding process, and allow Oakland to quickly transition to multi-space meters. In addition, it will make the City’s meter maintenance operations more efficient, facilitate the collection of parking revenues and enforcement of parking laws, and enhance the over-all management of the operation.

### **Costs of No Paid Weekend Parking**

The Committee directed staff to compute the cost to have no paid parking on Saturday and Sunday. Currently, meters are already free on Sundays. Staff estimates that approximately \$910,000 in revenues could be lost annually if the City decides to forego paid parking on Saturdays.

### **Costs of Un-metered Areas in Commercial Districts**

Staff was asked to consider removing meters in certain commercial districts. It was determined that if the City were to remove the meters in commercial areas and provide two hours free parking, revenues

could decrease by as much as \$370,000 per district. For all seven districts, \$2,575,000 in revenues could be lost annually. Further, since two of the seven commercial districts are very large, one additional enforcement staff would be required in each area, for a total of two, to chalk tires or record license plates of every single vehicle, then drive around a second time to issue citations. As a result, salaries would increase by \$127,224 annually.

**Collections’ Costs and Revenue**

The Committee asked staff to include the cost of operations versus the revenues collected. The cost of Meter Operations, which includes Meter Collections and Meter Repair for FY 05-06, is budgeted at \$1,936,890 and the budgeted revenue is \$7,933,189. The cost of Enforcement and Parking Citation Assistance Center staff for FY 05-06 is budgeted at \$7,642,660 and the budgeted revenue for fines and penalties from citations is \$22,488,155. The net revenue for Parking Division after expenditures is anticipated to be \$20,841,794.

	<b>Services</b>	<b>Budgeted Amount</b>
<b>Expenditures</b>	Meter Operations(Collections & Repairs)	(\$1,936,890)
	Enforcement/Citations Assistance Center	(\$7,642,660)
	<b>Sub-Total</b>	<b>(\$9,579,550)</b>
<b>Revenues</b>	Meter Revenues	\$7,933,189
	Citation Revenues – Fines and Penalties	\$22,488,155
	<b>Sub-Total</b>	<b>\$30,421,344</b>
<b>NET REVENUE</b>		<b>\$20,841,794</b>

**Improving Customer Service and Outreach**

Parking Division will provide customer service materials to educate the public on the use of the new machines through the City of Oakland website, handouts and flyers in the Parking Citation Assistance Center Lobby, and operation instructions affixed to the pay stations. The Division has created a pamphlet of “Frequently Asked Questions” to assist citizens through the payment, appeal, and hearing processes (Attachment A). The Parking Division is in the process of rolling out a new citywide customer service program for vehicles spotted parked at broken single-space meters. When the meter is malfunctioning, a Parking Enforcement Technician will place a “Courtesy Warning” on the windshield of the vehicle, which indicates the time that the vehicle was spotted (Attachment B). These warnings will be issued on a regular basis.

At the March 14, 2006 meeting of the Rules and Legislation Committee, staff was directed to address four additional meter issues:

### **1. Parking Meter Fund Collection**

Concern was expressed that meters are full because staff does not empty them and, as a result, citations are issued. Two years ago, due to malfunctioning and outdated equipment, funds were not collected from some single-space meters on a regular basis. However, Parking Enforcement was made aware of the issue and citations were only issued to those vehicles that were parked in excess of the posted time limit. Currently, funds from parking meters are collected on a regular basis.

### **2. Appeals Process**

Staff was asked if there is an 18-24 month backlog in the citation appeals process. In the last two years, Parking Citation Assistance Center (PCAC) experienced a dramatic change in personnel that negatively impacted the processing of administrative/hearing reviews due to layoffs, bumping, turnover, and retraining of new staff. As a result of this impact, PCAC experienced a backlog in the processing of appeals. Currently, the processing of appeals has been reduced to an average of two months.

### **3. Marking Tires for Timed Zone Parking**

There was a concern that Parking Enforcement Technicians (PCTs) do not mark tires and workers are ticketed when they leave and return to the same timed-zone area throughout the day (schools and hospitals). Prior to the purchase of computer handheld ticket writers approximately three years ago, marking tires was the only method of noting vehicles. Since then, staff has utilized the following methods, besides marking tires, to note vehicles:

- Computer handheld ticket writer
- Manually noting license plates with locations
- Chalking tires

In accordance with Oakland Municipal Code 10.28, no vehicle is allowed to remain in the same area longer than the posted time zone limit. Parking Enforcement Technicians drive by a minimum of two times in the larger areas and more frequently in the smaller timed zones: Once to note a vehicle and a second time to determine which vehicles have exceeded the time limit. *Therefore, citations are issued only to those vehicles found to be parked in the same zone in excess of the time limit.*

### **4. Permit Parking for Employees around Schools**

It was requested by a Council member that we look into permit parking for employees around schools. According to the Oakland Municipal Code (OMC) 10.44.010, Residential Permit Parking (RPP), employee permit parking on public streets is not allowed.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Merchants will benefit from the multi-space meters as these meters are less prone to malfunctioning and will increase parking space availability and maximize capacity for their customers.

**Environmental:** None

**Social Equity:** The multi-space meters will maximize short-term parking availability, which would benefit the merchants and their customers.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

There is no impact on American Disability Act (ADA) or senior citizen access.

### **RECOMMENDATIONS AND RATIONALE**

Staff recommends that the City Council approve the replacement of approximately 5,000 existing single-space meters with approximately 500 hi-tech multi-space meters by entering into a contract with Cale Parking Systems USA and waive the bidding process and “piggy-back” off of Berkeley’s contract. This will promote increased efficiency in the collection and monitoring of the City’s parking meters.

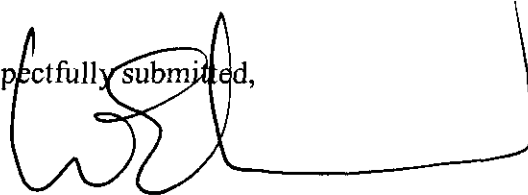
In addition, staff recommends that the replacement of the single-space parking meters be financed through a lease transaction with a financial institution. The lease payments would be financed without additional supplement from the City’s General Fund.



**ACTION REQUESTED**

Staff recommends that the City Council approve the resolution authorizing the City Administrator or her designee to execute a contract for the purchase of approximately 500 multi-space parking meters with Cale Parking Systems USA, waive the bidding process and “piggy-back” off of Berkeley’s contract, and authorize the execution of a lease transaction with a financial institution to finance the multi-space parking meters, the parking meter replacement project, and any costs related to the financing.


Respectfully submitted,



William E. Noland  
Director, Finance & Management Agency

Prepared by:  
Francine Larkrith-Thompson  
Parking Division Manager

APPROVED AND FORWARDED TO THE  
FINANCE & MANAGEMENT COMMITTEE:

  
Office of the City Administrator

Approved as to Form and Legality,  
OFFICE OF THE CITY CLERK  
Oakland City Attorney's Office  
2005 MAR 14 PM 7:39

# OAKLAND CITY COUNCIL

Resolution No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE REPLACEMENT OF OUTDATED SINGLE SPACE PARKING METERS WITH MODERN MULTI-SPACE PARKING METERS AND AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF APPROXIMATELY 500 MULTI-SPACE PARKING METERS WITH CALE PARKING SYSTEMS USA AND AUTHORIZING THE EXECUTION OF A LEASE TRANSACTION WITH A FINANCIAL INSTITUTION TO FINANCE THE MULTI-SPACE PARKING METERS, FOR THE PARKING METER REPLACEMENT PROJECT, AND ANY COSTS RELATED TO THE FINANCING FOR AN AMOUNT NOT-TO-EXCEED \$4,500,000**

**WHEREAS**, the City of Oakland loses revenue on non-functional parking meters, vandalism and appeals; and

**WHEREAS**, for the last five years, the Parking Division conducted an exhaustive test of multiple meter companies to find a state-of-the-art parking meter system and a solution for the City of Oakland's parking problems; and

**WHEREAS**, the Oakland Finance and Management Agency, Parking Division is contemplating the replacement of 5,000 existing single space parking meters with approximately 500 more reliable modern multi-space meters; and

**WHEREAS**, in tests of alternative parking meter systems, Cale Parking Systems USA was the most qualified, responsive and cost-effective respondent and has been selected as the vendor to provide the multi-space parking meters on that basis; and

**WHEREAS**, the City Council finds that the purchase of approximately 500 multi-space parking meters from Cale Parking Systems USA is in the public interest; and

**WHEREAS**, the City Council finds that proper signage directing the public regarding the use of the multi-space parking meters is a necessary component of the parking meter replacement project; and

**WHEREAS**, the City Council desires to finance the multi-space parking meters to be provided by Cale Parking Systems USA and eligible costs for the parking meter replacement project; and

**WHEREAS**, Oakland Municipal Code Chapter 2.04.080 authorizes the City Administrator to purchase supplies or services as defined in Section 2.04.010, through legal contracts of other governmental jurisdictions or public agencies without further contracting, solicitation, or formal bidding when it is advantageous to the City; and

**WHEREAS**, staff has determined to the City Administrator's satisfaction that the City of Berkeley has a current agreement with Cale Parking Systems USA for the procurement of Cale Parking Systems equipment, installation and maintenance from which the City can purchase the meters under the same terms and conditions and save time and expenses associated with formal bidding; and

**WHEREAS**, the additional estimated revenues generated by replacing the single space meters with multi-space meters will cover additional operating costs and the cost of the debt service payments on the lease financing; and

**WHEREAS**, the FY 2006-07 expense Budget will be increased during the mid-cycle budget adjustment by \$1,580,000 within the Parking Division's General Purpose Fund (1010), Meter Operations Organization (08931) to cover the \$720,000 debt service payments and \$860,000 in operating costs (communications, paper, credit card fees and signage); and

**WHEREAS**, the total increase in appropriations will be offset by a \$1,580,000 increase in parking meter revenue as a result of the more reliable and efficient multi-space meters with no net fiscal impact to the City's General Purpose Fund;

**NOW THEREFORE**, the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**RESOLVED:** That the City Administrator, or her designee, is authorized to execute an agreement with Cale Parking Systems USA for the purchase of approximately 500 multi-space parking meters in an amount not-to-exceed \$4,500,000, in accord with the terms described in the City Administrator's report accompanying this resolution; and, be it

**FURTHER RESOLVED:** That the City Council finds and determines that it is in the best interests of the City to waive competitive bidding; and, be it

**FURTHER RESOLVED:** That the City Administrator, or her designee, is hereby authorized to execute a Financing Lease Agreement and related documents with a financial institution to finance the multi-space parking meters and eligible costs for the parking meter replacement project, and any costs related to the financing in an amount not to exceed \$4,500,000, in accord with terms described in the City Administrator's report accompanying this resolution; and, be it

**FURTHER RESOLVED:** That the contracts will be approved for form and legality by the Office of the City Attorney and will be placed on file in the City Clerk's Office.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

PASSED BY THE FOLLOWING VOTE:

AYES –

NOES –

ABSENT –

ABSTENTION –

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California