



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: January 8, 2013
To: Honorable Mayor & City Council
From: Aaron Kunz, Deputy Director of Transportation
Subject: Request by Vice Mayor Mirisch to Evaluate Changing Annual Residential Parking Permit Renewals to Every Two Years

INTRODUCTION

This report responds to a request by Vice Mayor Mirisch to evaluate a program that renews residential parking permits every two years instead of the current annual renewal program.

DISCUSSION

The City issues Preferential and Overnight Parking Permits that expire annually on September 30 of each year. During the 2011/12 permit year, the City issued 12,783 Preferential Parking Permits at a cost of \$33.50 per permit. The Preferential Parking Permits issued included 2,980 new permits, 9600 renewals and 203 lost/stolen permit replacements). The City also issued 3,610 Overnight Parking Permits at a cost of \$110.00 per permit (prorated throughout the year). The Overnight Parking Permits issued included 2,980 new permits, 9,600 renewals, and 76 lost/stolen replacements. Projected FY 2012/13 revenue from these two programs \$760,000.

As part of the FY 2012-13 budget process, the City conducted a comprehensive user fee study. Most of the costs associated with the permit parking fees are fixed costs, including full time customer service representatives (majority of time of customer service is associated with issuance of new permits), staffing for the parking exemption program, transportation planning staffing (establishment and modification of permit zones), and parking enforcement costs not directly related to parking citation issuance (management, supervision, and enforcement of permit misuse). The variable costs include the cost of permit stock and part-time salaries. Per the user fee study, 100% of the costs assigned to the preferential parking permit program would result in a fee of \$49.88 per permit and the costs assigned to the overnight parking permit program would result in a fee of \$126.65 per permit. Due to the increase in costs for residents, staff recommended and the City Council approved maintaining the same fees as 2011-12 rather than price permits at 100% of costs assigned.

The advantages of renewing permits every two years instead of annually include:

- Convenience to long-term residents who prefer paying for a two year permit instead of an annual permit.
- Approximately \$15,000 in savings every other year in printing costs.
- Approximately \$3,000 in savings every other year in part-time salaries.

The disadvantages include:

- High cost of a 2-year permit (assuming City retains current cost recovery rate).
- Disadvantage for residents who move in less than 2 years.
- Permit stock fades and hangers melt in the sun in approximately 1 year.
- Permit fraud could increase with permits in circulation for a longer period of time.

FISCAL IMPACT

The City utilizes part-time customer service staff during the permit renewal process. As discussed above, the majority of costs associated with the parking permit program are fixed costs. To maintain current revenue levels, the fee would need to be doubled if the City changed to a two-year permit. Approximately \$18,000 in reduced expenditures from part-time salaries and printing costs would be achieved by changing from an annual to a two-year permit.

RECOMMENDATION

Staff seeks direction from the City Council regarding Vice Mayor Mirisch's request.

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David Gustavson
Approved By