



PLYMOUTH GROWTH & DEVELOPMENT CORPORATION

Review of FY2019 Financial and Operating Conditions

Financial

- **Yearly Cash Flow.** The PGDC bank accounts contained \$1,640,060 in cash at the beginning of 2019 and ended the year on December 31, 2019 with \$2,469,299 on hand – for a net gain of \$829,239. This exceeds the net gain of \$755,293 that had been projected in the FY2019 budget by almost \$74,000. The additional monies were the result of a strong seasonal economy and greater than expected parking revenues combined with the postponement of selected capital expenses to 2020.
- **2019 Net Operating Income (NOI).** With total income of \$2,459,477 and operating and capital expenses of \$1,638,792 PGDC's net operating income in 2019 was \$820,685. NOI is a general indicator of the revenue generating capability and profitability of the PGDC/Park Plymouth.
- **2019 Operating Income.** Operating income in 2019 was \$2,459,299 or approximately \$210,000 above 2018 revenue levels, an increase of 9% year-over-year. This increase in annual income was the result of (a) across-the-board increases in the price of 2019 parking permits; (b) the realization of several additional months of ticket violation revenue under the higher parking fine schedule implemented in 2018; and to a much lesser extent (c) additional daily revenue generated by the parking spaces in the new parking deck [149 parking spaces], the availability all spaces in the Burton lot [24 parking spaces] and Cornish lot [20 parking spaces], and the creation of new revenue-generating parking spaces in the Water Street bus lot [37 parking spaces].
- **2019 Parking Lot Revenue.** Park Plymouth continues to transition from single-space parking meters to multi-space pay stations as its preferred method for collecting daily parking fees. The number of pay stations in Plymouth increased from 16 to 23 in 2019. As in years past, the Water 3 lot continues to generate the most parking revenue of all Park Plymouth lots, and significantly more at \$215,625 annually than the second highest parking lot (Memorial Hall) at \$135,540 annually. Other noteworthy observations and trends in 2019:
 - The Water 4 lot experienced a significant uptick in parking activity in 2019 with revenue increasing from \$27,400 to \$34,800 annually (27% increase year-over-year);
 - Parking revenue from the Middle Street Extension lot decreased as the result of disruptions from substantial roadway and other construction activity in the area over the summer/fall;
 - The parking spaces in the Town Hall Corridor – i.e., Parking Deck and Cornish/Burton lots – generated substantially less revenue in 2019 than expected (\$5,000 actual versus \$30,000 budgeted) due to construction issues and the delay in opening the upper level of the deck until September 2019.
 - Credit cards continued to be the preferred method of payment over cash with 78% of all pay station revenue generated from credit card transactions in 2019 versus 76% from credit card transactions in 2018. Credit card use at the single-space meters versus cash also increased from 55% in 2019 to 60% in 2019.

- **Pay-by-Phone Transactions and Revenue.** Of special note in 2019 was the fact that pay-by-phone (Passport) assumed an ever-increasing role as a parking payment option and revenue stream for Park Plymouth. Passport revenue jumped from \$169,372 in 2018 to \$265,233 in 2019 in response to continuing efforts by staff to encourage the use of this payment option over cash or credit card transactions at the meters and pay stations.
- **Parking Permit Activity.** The revenue from parking permits sold in 2019 totaled \$152,483 – an amount 21% higher than the \$125,907 permit revenue collected in 2018 due to significant permit rate increases across all permit types. While permit revenue increased, the total number of parking permits sold in 2019 decreased to 1,352 from approximately 1,550 permits during 2018. With respect to permit type, the number of Premium parking permits sold in 2019 rose significantly from 2018 activity levels, while the number of Limited permits sold fell substantially in response to limitations on the parking locations each permit type could park in.
- **Parking Ticket Revenue.** The Park Plymouth enforcement staff issued 18,196 parking tickets in 2019 and collected over \$732,000 in ticket violation revenue – rates comparable to that achieved in 2018 when 18,024 tickets were issued and \$697,000 in ticket revenue was collected. The 2019 ticket revenue amount is equal to 6.0 times the total cost of all Park Plymouth parking enforcement office (PEO) salaries and benefits during 2019. By comparison, PEO productivity in the parking industry is reported to generate annual ticket revenue between 4.0 – 7.0 times staff salaries and benefits.
- **Total Operating Expenses.** Operating expenses totaled \$1,149,782 in 2019 compared to \$982,216 in 2018, due principally to (a) increases in credit card fees due to increased customer credit card usage, (b) additional staff expenses, (c) an uptick in insurance expenses, and (d) payment to the Town of Plymouth of the initial payment due under the Bond Debt Service Schedule associated with the financing of the S. Russell Parking Deck.
- **Payroll Expenses.** Payroll expenses (wages, taxes and benefits) totaled \$459,958 in 2019 and accounted for approximately 44% of the total annual operating expenses of the PGDC – typical for a parking operation of Park Plymouth’s nature and size.
- **Reimbursement of RMV Fees.** The PGDC makes monthly payments to the Town equal to the value of the Massachusetts Registry of Motor Vehicle (RMC) marking fees that are paid by those who receive parking citations in Plymouth and incur RMV marking fees for failure to pay their parking citation(s) in a timely manner. In 2019, the PGDC reimbursed the Town of Plymouth a total of \$49,620 in RMV fees.
- **Annual Payment to Town for Ticket Violation Revenue.** The PGDC processes and collects payments received for parking citations issued by the Plymouth Police Department and Harbormaster, retains a 25% administrative fee, and then returns the remaining violation revenue to the Town of Plymouth. In 2019, the PGDC paid the Town of Plymouth a total of \$38,593 in ticket violation revenue.
- **Annual Payment to Town for Handicapped Parking Violation Revenue.** The PGDC processes and collects payments received for the violation of handicapped parking regulations, retains a 25% administrative fee, and then pays the Town of Plymouth Commission on Disabilities the remaining violation revenue. In 2019, the PGDC paid the Town Disabilities Commission a total of \$19,234 in handicapped parking ticket revenue.

- **Development of Operating and Capital Budgeting Template and Monthly Reports.** A budget template was created in 2019 for use in developing annual operating and capital budgets, providing monthly and annual NOI (net operating income) statistics, and in reporting monthly variances.
- **FY2018 Financial Statement and Audit.** As required by the PGDC's enabling legislation and its Memorandum of Agreement (MOA) with the Town of Plymouth, the "2018 Financial Statement with Independent Auditor's Report" was completed and submitted to the Town Select Board in June 2019. The PGDC also solicited interest from multiple independent certified public accounting firms in conducting its FY2019 audit and selected Lynch Marini & Associates Inc. to perform its FY2019 audit.

Capital Investments and Parking Operations

- **Expansion of Public Parking Supply.** During 2019 the PGDC was able to increase the number of public parking spaces available in the Town of Plymouth through the following activities:
 - Completed construction of the S. Russell Parking Deck (+149 spaces) and opened it along with the Cornish Lot (+24 spaces) and Cornish Lot (+16 spaces) for shared town employee/public parking during town hall hours and on weekends;
 - Re-configured the "Bus Parking Only" lot on Water Street to create a total of 35 new 60-degree angled parking spaces in the Harbor end of the lot while leaving 9 of the current bus parking stalls in place (+35 spaces);
 - Replaced 78 IPS single space parking meters on Water Street with 5 Luke II Digital pay stations to improve visual views of the harbor and reduce Park Plymouth operating expenses; parking spaces along Water Street were also re-striped by the DPW resulting in several additional parking spaces (+5 spaces);
 - Re-striped the Nathaniel Morton Elementary School Parking Lot and opened it to the public for parking during the afternoon/evenings on weekdays, all day on weekends, and on holidays when the school is not in session (+62 spaces);
 - Evaluated the feasibility of installing parking meters on Howland Street and Memorial Drive and concluded that an additional 10 parking meters could be placed on the Water Street end of Howland Street only (Note: meters to be installed in Spring 2020) (+10 spaces);
 - Worked with the Plymouth DPW to resurface and install new pavement markings for parking, crosswalks, and "no parking" zones on Court/Main/Main Street extension to Warren Ave; the reconfiguration led to the creation of 15 additional on-street parking spaces (+15 spaces);
 - Approved the creation of a 2-hour parking time limit zone for the 8 curb-side parking spaces on S. Park Avenue that had previously been unregulated (+8 spaces).
- **Capital Investments.** The PGDC/Park Plymouth made capital investments totaling \$489,010 in 2019 as the S. Russell Parking Deck was completed and investments were made in significant upgrades to its parking revenue collection equipment:
 - *Completion and Opening of S. Russell Street Parking Deck* – In 2019, the PGDC completed its funding of a new 149-space, 2-level parking deck on the location of the burial hill surface lot adjacent to the new Town Hall. The PGDC made payments during the year totaling \$240,409 towards the costs of architectural/engineering oversight and contingency expenses which brought the total construction cost of the Parking Deck to a total of \$5,633,703. Construction of the parking deck was completed in August 2019 at which time both the upper and lower levels became available for parking occupancy.

The PGDC also made its first payment in 2019 towards the \$2,995,200 bond issued by the Town for parking deck construction [debt service payment of approximately \$160,000 will be due annually for 30 years];

- *Remediation of Water 1 Parking Lot* – the PGDC contributed a total of \$100,000 to a Department of Marine and Environmental Affairs project to remediate contaminated soil under the Water 1 parking lot and bring the lot into compliance with the Massachusetts Contingency Plan. In return, the PGDC was permitted by the Town to convert/reconfigure the existing bus lot and create an additional 35 vehicle parking spaces (see below);
- *Parking Meters* - Park Plymouth purchased and installed three hundred and twenty (320) new IPS-MK5 4G single space parking meters (total cost \$146,000) as upgrades and replacements for all the existing on-street parking meters in its inventory;
- *Pay Stations* – Park Plymouth purchased seven (7) new ITS pay stations and upgraded the modems at all existing (16) Park Plymouth pay stations at a total cost of \$98,826; two (2) of the new pay stations were placed in the S. Russell Street Parking Deck and Cornish Lot, and five (5) for placement along Water Street on the waterfront as replacements for 78 single space parking meters that were there;
- *Re-configuration of Bus Lot for Vehicle Parking* - Park Plymouth staff oversaw re-design of the Bus Only Lot on Water Street (now called the Water 2B Lot) that led to the creation of 35 new parking spaces while retaining 9 bus stalls (cost of \$3,375);
- *Office Furniture and Equipment* - Fifteen (15) new chairs were acquired for the office staff and conference room table and a new printer/copier/fax/scan machine was purchased at a total cost of approximately \$4,000.

➤ **Community Reinvestment.** During the 12-month period beginning January 1, 2019 through December 31, 2019, the PGDC Board of Directors approved grants for town-sponsored and approved events in the amount of \$30,050 distributed as follows:

<u>Date</u>	<u>Event</u>	<u>Amount</u>
January 2019	2018 Thanksgiving Parade – GATRA Shuttle Expense	\$2,400.
February 2019	Plymouth Bay Cultural District – 2019 Art Week Plymouth	\$1,750.
March 2019	2018 Winterfest – Town Services	\$5,000.
June 2019	Plymouth Area C of C – Wayfinding Banners	\$5,000.
July 2019	July 4 Plymouth, Inc. – July 4 th Town Service	\$5,000.
August 2019	Town of Plymouth – Memorial Hall Exterior Lighting	\$3,000.
November 2019	2019 America’s Hometown Thanksgiving Parade Shuttles	<u>\$7,900.</u>
	TOTAL	\$30,050

➤ **EV Charging Station in North Street Lot (tentative).** At the request of the Town Energy Officer, the PGDC approved the placement of a new electric vehicle charging station in the North Street parking lot (Note: expectation that station can be installed in Spring 2020).

➤ **Plymouth 400 Transportation and Parking Planning.** As co-chair of the Transportation Subcommittee for the Plymouth 400 Commemoration, the Park Plymouth Operations Director expended considerable time during 2019 managing meetings and planning sessions designed to clarify the parking and access needs associated with the Signature Events scheduled throughout 2020. A Parking & Transportation Resource Guide was drafted for Plymouth 400 and staff will soon develop unique parking and shuttle plans for each of the Signature Events planned during 2020 in the downtown/waterfront areas of Plymouth.

Policies and Procedures

- **PGDC Settlement Agreement with MEGRYCO, Inc. re: Bradford Inn Property.** In April 2019 the PGDC reached a settlement agreement with MEGRYCO, Inc., a local developer who is redeveloping the Bradford Inn property located at 98 Water Street. As a result of this settlement, MEGRYCO agreed to change the parking requirements and residential/retail mix of the Bradford Inn project to minimize its impact on the stock of public parking spaces in Plymouth's Waterfront District. The PGDC subsequently withdrew its pending appeal regarding PGDC vs. MEGRYCO in the Appeals Court in May 2019.
- **Comprehensive Revision of PGDC/Park Plymouth Website.** The PGDC completed a comprehensive upgrade and redesign of its website. The new website now describes in detail the many functions and activities of Park Plymouth – e.g., what the daily parking rates are, where to park, how to pay for parking, what parking violations will result in parking tickets, how much each ticket costs, how to pay and/or appeal a ticket, what types of parking permits exist, how to determine if you are eligible for one, how much they cost, and where permit holders can park. The website also provides, for the first time, a detailed description of how the PGDC was created and is funded and describes the substantial projects and initiatives it has funded over the years to expand the parking supply and improve parking conditions in Plymouth. Numerous links to Park Plymouth meeting agendas and minutes, policies, reports, engineering studies, and other helpful parking and town information are now readily accessible online.
- **Revision and Consolidation of PGDC – Town of Plymouth Memorandum of Agreement (MOA).** The PGDC and Town of Plymouth developed a "new" MOA in 2019 that clarified and codified the obligations of both the PGDC and Town of Plymouth that were included in a number of previously executed documents; eliminated the provisions that were no longer applicable or relevant; and eliminated the redundancy that existed with multiple documents. The MOA now references the PGDC's obligation to manage and enforce parking regulations in the so-called Town Hall Corridor and to make annual debt service payments to the Town in accordance with a specific Bond Debt Service schedule. The new MOA supersedes all prior agreements, amendments, licenses, representations, understandings, proposals, commitments or communications that have been generated over the years between the PGDC and Town of Plymouth. The MOA is expected to receive Select Board approval in January 2020.
- **Revision of Selected PGDC Policies.** In May 2019, the PGDC adopted and began implementation of a revised "Use of Parking Space Permit Policy" that included a new permit application form and permit fee schedule. The policy provides the guidelines and requirements for the permitted use by private property owners, developers, contractors, organizations and individuals of any of the public parking spaces managed by PGDC/Park Plymouth in the downtown/waterfront areas. The PGDC also developed and adopted its first Cash Investment Policy Statement (IPS), or money management plan, that provides guidance on which low risk, fixed rate investment products the corporation should consider when deciding where to invest its available cash each year for maximum return.
- **Updates and Revisions to Employee Benefits and PGDC Personnel Manual.** During 2019, the PGDC Board of Directors upgraded the Park Plymouth employee benefits package by making full-time employees eligible for an additional four (4) paid holidays off each year (bringing total paid holidays off to 10 days). The PGDC Board also adopted the benefit requirements of the Massachusetts Paid Family Leave and Medical Law (M.G.L. c. 175M) and agreed to assume the entire cost of the annual required employee contributions to the Department of Family and Medical Leave until such time that employee-employer cost sharing warrants consideration. Finally, based on an evaluation of alternative individual

health and dental plan coverages and costs, the PGDC Board switched to an employee health plan that was more beneficial and less costly to both employees and the corporation.

- **Procurement and Selection of Contractor for Parking Citation Issuance, Payment, Collection and Permit Management Services.** The PGDC developed bid documents and solicited proposals in 2019 from vendors qualified to provide a comprehensive and integrated system for processing its parking citations (issuance, payment and collection) and managing its parking permit program. After a comprehensive review and evaluation of the technical and price proposals received, Complus Data Innovations, Inc. was awarded a 3-year contract for these important services in December 2019.