

## MEMORANDUM

To: Hartford Parking Authority Commissioners

From: Carey E. Redd, Acting CEO/Executive Director

Re: Financial Report

Date: September 13, 2013

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### **Monthly Finance Report**

Higher revenue from all Off-Street facilities combined with lower overall expenses resulted in \$170,479 greater Operating Income than budgeted over the first two months of the year. With the sale closing of the Morgan Street Garage nearly one month later than expected, an additional month's revenue was earned at the Morgan Street Garage. Of continued concern however, is lower citation revenue than expected (see variance description). Specifically,

- Revenue is \$1,496,946 compared to budget of \$1,411,262, a favorable variance of \$85,684.
- Expenses are \$865,833 compared to budget of \$950,628, a favorable variance of \$84,795.
- Operating income is \$631,113 compared to budget of \$460,635, a favorable variance of \$170,479.
- Debt service coverage – The debt service coverage ratio for debt on the books of the HPA is 3.84. The debt service coverage ratio for all parking system debt is 1.70. Both ratios reflect the defeasance of Morgan Street Garage bonds and the resulting lower debt service.

### **Explanation of Significant Variances**

- Administration year-to-date Payroll expense is \$18,662 less than budget as a result of savings associated with the vacant CEO position (total Administration Payroll & Related expenses favorable variance of \$23,241).
- Church Street Garage year-to-date Hourly Parking revenue is \$48,503 higher than budget as a result of strong validation income from the Hilton Hotel in the first two months.
- Church Street Garage year-to-date Monthly Parking revenue is \$52,167 higher than budget as a result of an increase of 125 Prudential Financial employee parkers as of July 1<sup>st</sup> and an increase of 50 Hilton Hotel parkers as of August 1<sup>st</sup>.
- On-Street Parking year-to-date Citation revenue is \$70,881 lower than budget as the number of tickets issued and the amount of collections are essentially unchanged from last year. One explanation for the relatively flat collections thus far is the downtime that occurred when CT DMV made changes to their database in July and the time that it took T2

to update their system (approximately three weeks). No notices could be sent until T2 updated their system.

- On-Street Parking year-to-date Collection Agency revenue is \$63,800 lower than budget as a result of lower special collections than anticipated. Republic Parking has been in discussions with the collection agency management since the downward trend was first observed in the spring and has identified two obstacles in the collection effort. These obstacles are the high number of incorrect addresses associated with unpaid tickets and the high dismissal rate for citations that are appealed. Republic Parking presented their findings to the Property Management Committee the week of September 9<sup>th</sup> and will also submit in writing their findings to the Committee within 1-2 weeks.
- On-Street Parking year-to-date Collection Fee expense, aka commission expense, is \$27,145 lower than budget as a result of lower special collections revenue. Collections expense is a function of the amount of collections in three different aging brackets and three different fee percentages (total On-Street Parking expenses favorable variance of \$44,773).