



## FISCAL IMPACT NOTE

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**Resolution:** R-33-19

**Title:** Parking Meters - Fees

**Date:** July 20, 2019

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This resolution increases parking fees for certain parking spaces in downtown Annapolis from \$2 per hour to \$4 per hour. According to data provided by SP+, annual revenue from these spaces is approximately \$600,000 annually. Therefore, assuming no decrease in demand, doubling the fee to \$4/hour would increase revenue in the Parking Fund by approximately \$600,000.

Alderwoman Tierney will be proposing an amendment to make the meter fees at these lots \$3/hour from April 1 – October 31 and \$2/hour from November 1 – March 31 of each year. If this amendment passes, the increase in revenue in the Parking Fund would be approximately \$180,000 annually.

The Parking Fund is an enterprise fund that is intended to be self-supporting from user charges. In its December 2018 rating report, Moody's cited as a credit challenge the large receivables in the General Fund due from the enterprise funds, and among the factors they listed that could lead to a downgrade is further growth in the General Fund receivables due from the enterprise funds.

As of June 30, 2018, the Parking Fund had an unrestricted deficit fund balance of \$7,116,548, and it owed the General Fund \$4,172,726. The amount due to the General Fund is approximately \$1 million less than the \$5,195,474 due to the General Fund at June 30, 2017, an amount the prior administration told the rating agencies in the fall of 2016 it would pay off over seven years. Both amounts reflect the fund's position after providing a \$2.4 million subsidy to the Transportation Fund.

Any increase in revenue, if not spent, will reduce the amount due to the General Fund and the fund's deficit position. The Council could also appropriate the increase in revenue for equipment, signage, and other improvements that would, in turn, generate additional revenue (for example, replacing single space meters with multi-space meters). The Council might also consider some combination of using the revenue to improve the fund's financial position and funding improvements in equipment, signage, etc.

*Prepared by Jodee Dickinson, Finance Director*