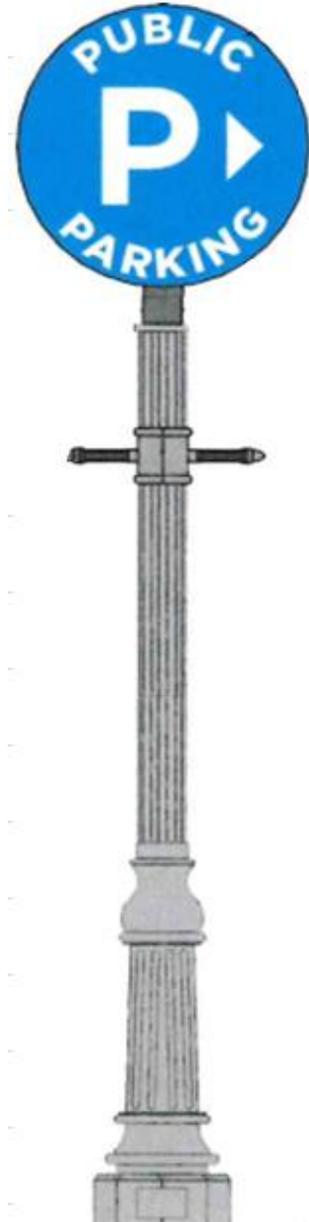
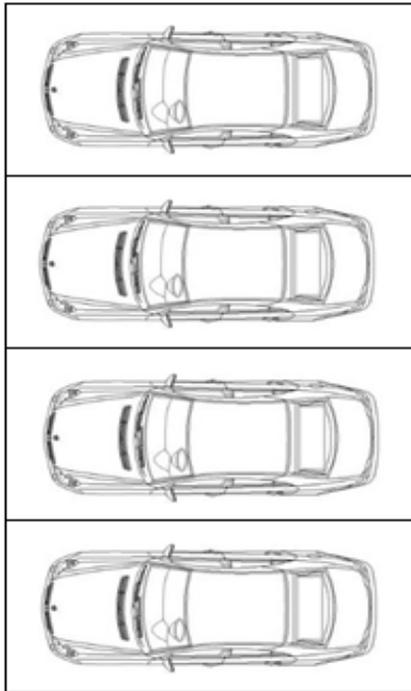


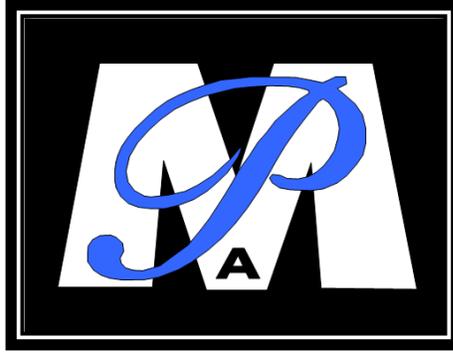
parking consultant's
annual report



**Morristown
Parking Authority**

Morristown, NJ

July 2019



**MORRISTOWN
PARKING AUTHORITY**
Established March 6, 1956

Mission Statement

The Morristown Parking Authority (MPA) is devoted to the betterment of the Town of Morristown by providing a public parking system that is well maintained, clean, safe, affordable, facilitates traffic flow, and serves the best interest of its patrons, Town residents, and the business community.

James Gervasio
Margret Brady
Richard L. Tighe
Anthony Lucia
Linda Stamato

Chairperson
Vice Chairperson
Treasurer
Secretary
Assistant Secretary / Treasurer

Michael Fabrizio
Executive Director

Mark Axelrod
Director of Operations

Gregory S. Deal
Director of Facilities

Robert S. Goldsmith
Attorney

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1. INTRODUCTION

The Morristown Parking Authority, established by the Town of Morristown in 1956, is a body corporate and politic of the State of New Jersey. The fundamental purpose of the Parking Authority is to build, maintain, and operate a responsive and dependable public parking system to meet the needs of the Town of Morristown and its constituents.

The Parking Authority has engaged Level G Associates, parking consultants, for the purpose of preparing an Annual Report on the operation and performance of the parking system during the most recent fiscal year of record. This report reviews and summarizes the physical, operational, and financial performance of the Morristown Parking Authority for calendar year 2018.

Many financial references in this report are based on data presented in -- "The Parking Authority of the Town of Morristown (A Component Unit of the Town of Morristown) - Report on Examination of Financial Statements - Year Ended December 31, 2018" -- prepared by Ferraioli, Wielkottz, Cerullo & Cuva, P.A. Other financial data were obtained from Parking Authority records.

Further information was gathered by the parking consultant during several visits which took place in the first two quarters of 2019. During these visits the parking consultant met with Parking Authority officials to discuss key aspects of the operation, performance, and condition of the parking system.

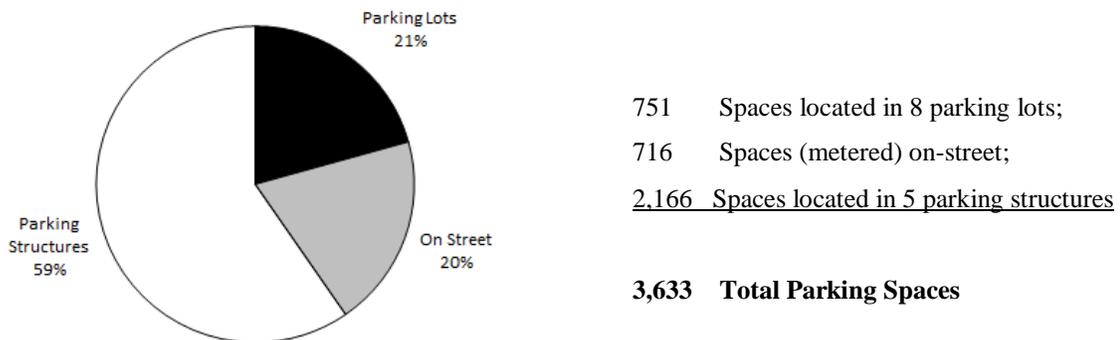
Finally, the parking consultant conducted general observations of on and off street parking spaces administered by the Morristown Parking Authority (MPA) and performed a visual inspection of all off-street parking facilities to review their general condition.

2. PARKING AUTHORITY FACILITIES

The Morristown Parking Authority's office is located on the ground floor of 14 Maple Avenue, a four story 33,000 SF LEED certified office building that is owned and operated by the MPA. This office building was part of an award winning 2008 redevelopment project that also included the construction of the MPA's 757 space De Hart Street parking garage and private redevelopment consisting of residential units and retail space.

Total Parking Spaces

As of June 2018, the total parking supply operated by the Morristown Parking Authority amounted to 3,633 parking spaces, broken down as follows:



As indicated, more than one-half of all spaces administered by the MPA are located in parking structures. Table 1, next page, presents more detailed information regarding the capacity, operation, and rates charged at the MPA facilities. Appendix A is a map showing the location of the parking facilities, as well as their basic size, shape, access roads, and intended use.

TABLE 1

**PARKING FACILITY SCHEDULE
MORRISTOWN PARKING AUTHORITY**

Facility	Capacity	Year Opened	Operation		Fees / Usage	Monthly (Permit) Fees	
On Street Meters	716 Spaces	Various	Credit Card Meters (535) & Electronic Meters (181)	Meters in effect 8AM-8PM Mon-Sat xHol	30 Min Lim: (25) Total - 25 cents for 15 minutes 2 Hr Lim: (526) Total - 25 cents for 15 minutes 2 Hr Lim: (156) Total - 25 cents for 20 minutes 18 Hr Lim: (9) Total - 25 cents for 20 minutes	Not Available	
Lot 3	115 Spaces	1958	Pay Station & Permits	Hours of Enforcement 7AM - 7PM	(62) Daily Pay Station @ \$5.00 per day; (47) permit spaces; (6) spaces rented to local businesses.	\$85 \$50 (Town Residents)	
Lot 8	70 Spaces	1957	Pay Stations & Permits	Hours of Enforcement 8AM - 8PM	(18) 3 hr limit spaces @ 25¢ per 30 min; (19) 12 hour limit spaces @ 25¢ per 45 min; (33) permit only spaces.	\$ 35.00	
Lot 10	202 Spaces	1957; expanded in 2001	Meters; Pay Stations; & Permits	Hours of Enforcement 6:30AM-12MID	(11) 30 min meters and (13) 3 hr meters @ 50¢ per hr rate; (178) 18 hour limit @ 25¢ per 45 min or permit parking	\$ 45.00	
Lot 13	8 Spaces	1973	Meters Only	Hours of Enforce 8AM - 8PM	(4) 1 hr meters and (4) 3 hour meters at 75¢ per hour.	Not Available	
Lot 14	21 Spaces	1975	Meters & Permits	Hours of Enforce 8AM - 8PM	(21) 3 hour meters @ 75¢ per hour; Permit parking allowed at all meters.	\$ 10.00	
Lot 15	18 Spaces	1988; expanded in 2000	Pay Station	Hours of Enforcement 8AM - 8PM	(18) 3 hour limit @ 50¢ per hour.	Not Available	
Mall Lot	269 Spaces	1968; redesigned in 1998	Permits	In Effect at All Times	(269) permit only spaces.	\$ 65.00 \$25 (students)	
Vail Mansion Facility	110 Spaces	2008	Pay Stations & Permits	Hours of Enforcement 8AM - 12MID	<u>Front (Pay Stations)</u> (48) Hourly Parking Spaces @ \$1.00/Hr	Not Available	
					<u>Rear Deck (Pay Stations & Permits)</u> (56) Meter / Permit Spaces; (6) Reserved Spaces	\$ 75.00	
Early Street Deck	60 Spaces	2019	Pay Stations & Permits	Hours of Enforcement 7AM - 10PM	(57) Spaces @ \$1.00 per hour; Permits Allowed; (3) EV Charging Spaces @ \$2.00/Hr.	\$75.00 \$25 (students)	
De Hart Street Garage	757 Spaces	2008	Permits & Pay Stations	In Effect at All Times	0 to 30 min = \$1.00; 30 min to 1 hr = \$1.50; each additional 1/2 hr up to 3 hrs = \$0.75; 3 to 4 hrs = \$6.50; each add'l hr up to 8 hrs = \$2 8 to 9 hrs = \$16; each add'l hr up to 24 hrs = \$2.50	\$80.00	
Dalton Garage	677 Spaces	1999	Cashier; Pay Stations & Permits	In Effect at All Times	0 to 30 min = \$1.00; 30 min to 1 hr = \$1.50; each additional 1/2 hr up to 3 hrs = \$0.75; 3 to 4 hrs = \$6.50; each add'l hr up to 8 hrs = \$2 8 to 9 hrs = \$16; each add'l hr up to 24 hrs = \$2.50; \$3 flat fee for vehicles entering after 5PM	\$ 100.00 \$45 (students)	
Ann - Bank Garage	610 Spaces	1986	Cashier; Pay Stations & Permits	In Effect at All Times	0 to 30 min = \$1.00; 30 min to 1 hr = \$1.50; each additional 1/2 hr up to 3 hrs = \$0.75; 3 to 4 hrs = \$6.50; each add'l hr up to 8 hrs = \$2 8 to 9 hrs = \$16; each add'l hr up to 24 hrs = \$2.50; \$4 flat fee for vehicles entering after 5PM; (118) spaces reserved for Morris County	\$ 75.00	
TOTAL	3,633 Spaces	<i>Sources: MPA & Level G Associates ~ as of June 2019</i>					

On-Street Parking Meters

Parking meters are installed to organize and regulate parking space usage on streets serving the various commercial districts in Morristown. The current total of 716 on-street meters includes: (25) - 30 minute limit meters; (682) - 2 hour limit meters; and (9) - 18 hour limit meters. On-street meters constitute about one-fifth of the parking system.

The MPA meter stock is composed of (181) digital electronic parking meters (commonly referred to as EPM's) and (535) credit card parking meters. All meters accept nickels, dimes, and quarters but credit card meters have the ability to accept credit cards as well.

The basic charge for parking at the on-street meters is 25 cents for 15 minutes -- translated hourly fee of \$1.00 per hour. However, a discounted fee of 25 cents for 20 minutes is in effect at 2-hour limit EPM's. These rates became effective in the fall of 2015, when the Morristown Town Council approved a rate increase from 25 cents for 30 minutes. The previous on-street meter rate increase occurred 17 years prior in 1998.

On-street meters are in force from 8AM to 8PM on all weekdays and Saturdays except for a section of meters on Elm Street that are in effect from 8AM to 5PM. There is no charge for parking on Sundays, New Years Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day.

Local contractors are permitted to temporarily "rent" on-street meter spaces in front of project locations using "meter cards" that are available from the MPA for \$10 per day.

The total of 716 on-street metered spaces is 24 fewer than last year's total as a result of the temporary loss of parking spaces along Bank Street, Market Street and Court Street due to construction. These spaces should be restored after construction is complete.

Parking Lots

The Morristown Parking Authority administers 8 parking lots ranging in size from 8 spaces to 269 spaces. The operation of each lot is determined by its size and the type of parking demand in the vicinity of each lot. A breakdown of the operation of the Parking Authority parking lots is as follows:

<u>Type of Operation</u>	<u>No. Lots</u>	<u>Lot(s)</u>	<u>No. Spaces</u>	<u>% of Total</u>
Monthly Parking Only	1	Mall	269	35.8%
Pay Station / Meters / Monthly Mix	1	10	202	26.9%
Pay Station / Monthly Parking Mix	2	3, 8	185	24.6%
Parking Meters / Monthly Parking Mix	1	14	21	2.8%
Pay Station (pay by space) Only	2	15, Vail-F	66	8.8%
Parking Meters Only	<u>1</u>	13	<u>8</u>	<u>1.1%</u>
Totals	8		751	100.0%

As indicated, MPA parking lot equipment and operating plans have become fairly specialized to better accommodate local parking demand in the vicinity of each lot. These operating adjustments are typical of higher functioning parking agencies that keep abreast of the latest parking technology and remain aware of the local business environment.

Parking lot spaces comprise 20.7% of the total Parking Authority parking space supply. While the Parking Authority does own most of its parking lots, some lots are leased or partially leased from others -- these include Lot 13M and a small portion of the Mall Lot.

The total of 751 parking lot spaces is 3 fewer than last year's total due to striping changes in Lot 10. For further information regarding the Authority's parking lots, including parking rates and other details, please refer to Table 1, page 3.

Parking Structures

MPA parking structure spaces are located in three (3) separate free-standing parking garages and two (2) one-level parking decks that are part of larger mixed use developments.

There are three parking garages containing a total of 2,044 spaces and two parking decks containing 122 spaces in the parking system. The Ann - Bank Garage (formerly Lot 12) contains 610 spaces and was built by the Authority in 1986. Over the years Morris County, through a number of agreements with the Parking Authority, has acquired some reserved parking and other parking rights in the garage but the Authority continues to operate the entire facility. The Ann-Bank garage maintains a manned cashier lane but also contains pay-on-foot stations and pay-in-lane with credit card technologies.

The Dalton Garage (formerly Lot 2) contains 677 spaces and was opened in June 1999. This garage is controlled with parking gates and accommodates cashier transactions as well as monthly parking activity. In addition, the Dalton garage contains pay-on-foot stations and pay-in-lane with credit card technologies that speed up transaction processing and exiting times.

The De Hart Street Garage (formerly Deck 1A) contains 757 parking spaces and was opened in October 2008. This garage is completely automated and no cash is accepted in exiting lanes. Transactions are handled either: 1) at “pay on foot stations” that accept cash and credit cards, or 2) in the exit lane using a credit card. Because it is Morristown’s first unmanned garage, the MPA has stationed an attendant in a cashier booth located near the exit lanes to assist customers who need assistance or are unfamiliar with the revenue control system.

The one-level Vail Mansion Deck (formally Lot 9) is accessed from South Street and

contains 62 spaces. It was opened in 2008 and accepts monthly parking and hourly parking. The deck is adjacent to the Mayo Community Theatre and is controlled with hang tags for monthly permit parking and with two electronic pay-on-foot stations for hourly parking transactions.

The one-level Early Street Deck (formally Lot 6) is accessed from Early Street and contains 60 spaces. It was opened in 2019 and accepts monthly parking and hourly parking. The deck is part of a residential development project located in the Speedwell Avenue redevelopment area and is controlled with hang tags for monthly permit parking and with three electronic pay-on-foot stations for hourly parking transactions.

Table 1 indicates parking rates charged at the parking structures.

The total of 2,166 parking structure spaces is 60 spaces greater than last year's total due to the opening of the Early Street Deck.

Parking Authority Office Building

The Parking Authority moved its offices from 10 Pine Street to a LEED “gold” certified, four story office building (14 Maple Avenue) located adjacent to the De Hart Street garage in December 2008. The new office building was developed and is owned by the MPA. Other occupants of the building include not-for-profit entities including the Geraldine R. Dodge Foundation, Fannie E. Rippel Foundation, Morristown Partnership and The Seeing Eye.

Physical Condition of Facilities / Remedial Repairs

The parking consultant has reviewed the physical condition of the Authority's on-street and off-street parking facilities and has found them to be in a state of good repair. Typical

parking lot wear and tear, such as pavement cracking, was observed in some facilities -- these conditions are repaired by the Authority on a regular basis as part of an ongoing maintenance program.

After our review of the parking facilities, an itemized listing of some recommended maintenance items, including minor drainage and crack repairs, was submitted to the Parking Authority.

In 2014, the MPA completed an ADA compliance review for the handicap parking supply in each parking facility and made related parking facility alterations such as space relocations, re-striping, sign changes and ramp adjustments.

In early 2016, the MPA's structural engineer inspected the De Hart Street parking garage and recommended a number of slab repairs that were completed in the spring of 2016.

In 2017, remedial repairs and deck sealing were conducted at the Ann-Bank and Dalton parking garages.

In 2018, Lot 8 was resurfaced.

In 2019, drainage and remedial pavement repairs were completed in Lot 10.

Overall, the Morristown Parking Authority parking facilities are in good physical condition due to a responsible combination of short term repair efforts coupled with preventative maintenance and a realistic long term improvement program.

3. PARKING AUTHORITY PERSONNEL & ENFORCEMENT

Parking Authority Personnel

The Morristown Parking Authority administrative and operating staff is composed of twenty two (22) full time employees and eight (8) part time employees:

1	Executive Director	2	Evening Facilities Supervisor
1	Director of Operations	5	Parking Attendants
1	Director of Facilities	5	Parking Attendants (part time)
1	Operations Assistant	1	Bookkeeper
1	Executive Admin. Assistant	1	Receptionist
1	Admin. Bookkeeper (part time)	1	Receptionist (part time)
4	Parking Enforcement Officers (PEO)	1	General Maintenance Supervisor
1	PEO (part time)	3	General Maintenance Persons

The current total of 30 full and part time employees is 3 fewer last year's total – two less full time employees and one less part time employee.

Parking Fines and Enforcement

The Parking Authority's six enforcement officers patrol parking facilities on foot and in three late model vehicles. The most common parking violation, "overtime parking", carries a basic fine of \$25.00. Unlawful extension (purchasing additional time beyond a meter's posted time limit, a.k.a. "meter feeding") carries a fine of \$37.00. The following parking violations carry a fine of \$47.00:

- Prohibited Parking
- Blocking a Driveway
- Parking in a Taxi Stand
- Parking in a Bus Stop

The following parking violations carry a fine of \$54.00:

- Parking on Wrong Side of Street
- Parking on a Sidewalk
- Double Parking
- Parking in a Crosswalk

Parking in a handicap space without a valid sticker carries a State-mandated minimum parking fine of \$250.

Some residential streets in Morristown, such as those located near high activity centers, have restricted parking or may only be used by local residents who display a proper “residential parking permit”, either at all times or during certain times of the day. The MPA began enforcement of these “Residential Parking Zones” (RPZ) in November of 2010. The fine for illegal parking in an RPZ without a proper permit is \$47.00.

The MPA does not realize any parking fine revenue -- all revenue from parking violations is collected by the Town and distributed to the Town and State of New Jersey.

	<u>MPA Tickets Issued In Downtown Areas</u>	<u>MPA Tickets Issued In Residential Zones</u>	<u>Total Tickets Issued - MPA</u>
2011	11,599	2,954	14,553
2012	14,766	2,488	17,254
2013	15,243	1,709	16,952
2014	15,639	2,512	18,151
2015	16,628	3,263	19,891
2016	22,700	4,498	27,198
2017	20,015	3,513	23,528
2018	19,432	2,436	21,868

As indicated, the number of annual parking violations issued by the Parking Authority decreased from 23,528 in 2017 to 21,868 in 2018 -- a decrease of 1,660 or 7.1%.

Based on past performance of on-street meter income, annual ticket issuance levels in the 1,650 to 1,750 per month range should be sufficient to properly protect the integrity of the downtown meter revenue stream and residential areas.

4. PARKING AUTHORITY INCOME

Parking Authority annual income has increased 22.5% over the past 5 years and 0.2% between 2017 and 2018 as indicated in the following 5-year summary:

	<u>Total Income</u>	<u>Change from Previous Year</u>
2014	\$ 5,965,973	+ 9.9%
2015	\$ 6,273,678	+ 5.2%
2016	\$ 7,054,688	+ 12.5%
2017	\$ 7,295,484	+ 3.4%
2018	\$ 7,311,127	+ 0.2%

The sustained increases in MPA revenue in the mid 2010's is due to increased utilization of the MPA's garages and on-street meters that have resulted from continuing redevelopment and increased occupancy of commercial buildings and uses in the downtown area. More recently, revenue has been levelling off as development activity in the downtown area has slowed.

Table 2, page 14, is an Income Summary showing the changes in all income categories between 2017 and 2018. A five-year itemized summary of Parking Authority revenue and income can be found in Appendix B.

Income trend summaries are presented in graphical format in Appendix C.

Parking Lot and Deck Revenue

Revenue from the Authority's parking lots increased from \$835,202 in 2017 to \$903,196 in 2018. Overall, four of the parking lots in this category posted revenue increases and four posted revenue decreases between 2017 and 2018. The most significant change was a

revenue increase of \$72,590 in Lot 3 resulting from the creation of additional daily parking spaces in the lot. We estimate that parking lot and deck revenue will increase to about \$925,000 in 2019 due to the opening of the Early Street deck in early 2019.

Parking Garage Revenue

The following summary illustrates that total income from the Authority’s three parking structures has increased over past four years but has levelled off in the most recent year of record:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
De Hart Garage	\$ 1,428,689	\$ 1,638,624	\$ 1,754,734	\$ 1,708,264
Dalton Garage	765,857	853,610	743,490	799,008
Ann - Bank Garage	<u>683,967</u>	<u>665,610</u>	<u>792,014</u>	<u>770,468</u>
Totals	\$ 2,878,513	\$ 3,157,844	\$ 3,290,238	\$ 3,277,740

As indicated above, income trended lower at two of the three MPA parking garages in 2018. The total of \$3,277,740 in garage income was \$12,498 or 0.4% lower than garage income in 2017, but still 13.9% higher than garage income in 2015.

It is estimated that parking garage income will remain at the \$3.3 million level in 2019.

On-Street Meter Revenue

Annual on-street meter collections decreased from \$1,127,884 in 2017 to \$1,106,218 in 2018, a decrease of \$21,666 or 1.9%. This decrease is likely a result of the temporary loss of spaces that were closed / inactive due to construction. It is estimated that income from on-street meters will remain at the \$1.1 million level in 2019 as many of the construction zones are still in place.

**INCOME SUMMARY (1)
CHANGES IN ALL CATEGORIES - 2017 TO 2018**

TABLE 2

<u>Income from Lots / Decks</u>	<u>2017</u>	<u>2018</u>	<u>\$ CHANGE from '17 to '18</u>	<u>% CHANGE from '17 to '18</u>
Lot 3	\$159,283.73	\$231,874.09	\$72,590.36	45.57%
Lot 6 (Construction in '17 and '18)	\$0.00	\$0.00	\$0.00	0.00%
Lot 8	\$63,002.36	\$55,179.61	(\$7,822.75)	-12.42%
Lot 9 (Vail Lot / Deck)	\$120,315.16	\$109,946.05	(\$10,369.11)	-8.62%
Lot 10	\$210,648.58	\$202,544.25	(\$8,104.33)	-3.85%
Lot 13	\$3,515.28	\$3,604.78	\$89.50	2.55%
Lot 14	\$4,581.13	\$2,567.12	(\$2,014.01)	-43.96%
Lot 15	\$12,695.59	\$12,822.18	\$126.59	1.00%
Mall Lot	\$261,160.00	\$284,657.50	\$23,497.50	9.00%
Total Lot Revenue	\$835,201.83	\$903,195.58	\$67,993.75	8.14%
<u>Income from Garages</u>				
De Hart Garage	\$1,754,733.85	\$1,708,264.37	(\$46,469.48)	-2.65%
Ann-Bank Garage	\$792,013.51	\$770,467.60	(\$21,545.91)	-2.72%
Dalton Garage	\$743,490.41	\$799,008.24	\$55,517.83	7.47%
Total Garage Revenue	\$3,290,237.77	\$3,277,740.21	(\$12,497.56)	-0.38%
On-Street Meter Revenue	\$1,127,884.57	\$1,106,218.29	(\$21,666.28)	-1.92%
Total Income From Parking	\$5,253,324.17	\$5,287,154.08	\$33,829.91	0.64%
<u>Other Income</u>				
Leases & Other Contract Income (2)	\$588,765.26	\$578,611.70	(\$10,153.56)	-1.72%
Interest	\$10,262.27	\$10,219.07	(\$43.20)	-0.42%
Office Rent	\$1,069,360.67	\$1,023,873.30	(\$45,487.37)	-4.25%
Meter Cards, Forfeitures & Misc.	\$121,312.46	\$146,323.39	\$25,010.93	20.62%
Solar Energy Credits	\$32,563.50	\$24,408.00	(\$8,155.50)	n/a
Parking Debit Cards	\$143,071.49	\$132,420.47	(\$10,651.02)	-7.44%
Validation Program	\$76,824.57	\$108,116.64	\$31,292.07	40.73%
Total Other Income	\$2,042,160.22	\$2,023,972.57	(\$18,187.65)	-0.89%
Grand Total Income	\$7,295,484.39	\$7,311,126.65	\$15,642.26	0.21%

(1) Source: Morristown Parking Authority Annual Financial Statements

(2) Applied Ground Lease, Washington - Cattano, Granite, Morristown Green, Epstein's, County Electric

Other Income

This income category includes interest income, income from meter card rentals, validation program, rent income from the MPA-owned office building (14 Maple Ave), and miscellaneous income. Other Income also includes “Leases & Other Contract Income” which is used to post MPA income streams that are related to developer agreements at the De Hart garage, Mall lot, Dalton garage, and Ann - Bank garage. In 2011 income from Parking Debit Cards was added to this category. A breakdown of income from the individual categories composing Other Income over the past two years is as follows:

Category	2017	2018	Change
Validation Program	\$76,825	\$108,117	\$31,292
Meter Cards, Forfeitures & Miscellaneous	\$121,312	\$146,323	\$25,011
Interest	\$10,262	\$10,219	(\$43)
Solar Energy Credits	\$32,564	\$24,408	(\$8,156)
Leases & Other Contract Income	\$588,765	\$578,612	(\$10,153)
Parking Debit Cards	\$143,071	\$132,420	(\$10,651)
Office Rent	\$1,069,361	\$1,023,873	(\$45,488)
Totals	\$2,042,160	\$2,023,972	(\$18,188)

As indicated, income in this category was improved by the Validation Program and Meter Cards, Forfeitures & Miscellaneous categories but offset by decreases in all other categories.

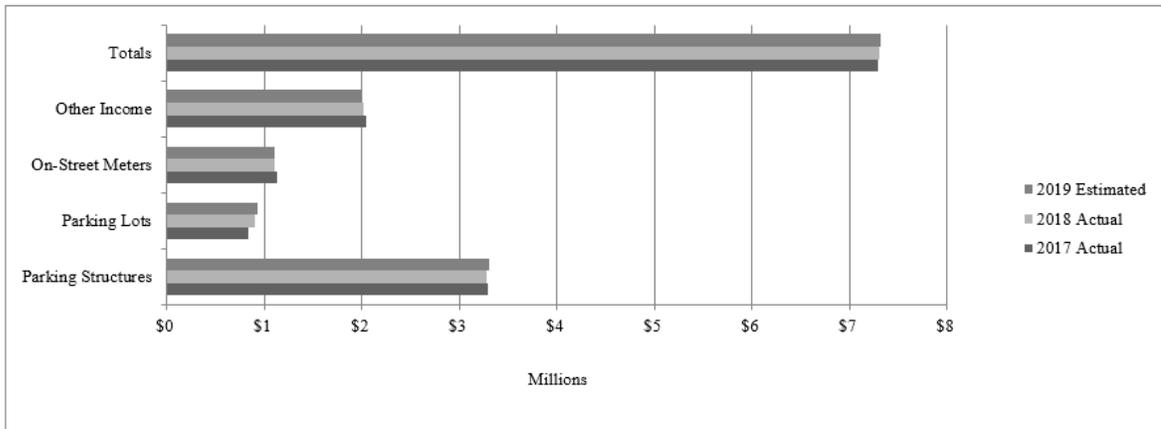
We estimate that income in this category will remain at the \$2.0 million level in 2019.

Total Income

Total income increased from \$7,295,484 in 2017 to \$7,311,127 in 2018 – an increase of \$15,642 or 0.2%. Comparison charts showing total income by category in 2017 and 2018 along with our estimates for total income in 2019 are provided below. As indicated, we

are estimating that MPA annual income will increase slightly to approximately \$7,325,000 in 2019.

	2017 Actual	2018 Actual	2019 Estimated
Parking Structures	\$3,290,238	\$3,277,740	\$3,300,000
Parking Lots	\$835,202	\$903,196	\$925,000
On-Street Meters	\$1,127,884	\$1,106,218	\$1,100,000
Other Income	\$2,042,160	\$2,023,973	\$2,000,000
Totals	\$7,295,484	\$7,311,127	\$7,325,000



5. PARKING AUTHORITY OPERATING EXPENSES & BUDGET

Operating and Maintenance Expense

Total operating expenses increased from \$3,633,157 in 2017 to \$4,086,349 in 2018 -- an increase of \$453,193 or 12.5%. The expense increases are mostly attributable to legal expenses related to the recent unionization of the MPA's Parking Enforcement Officers and litigation involving a shared right-of-way that is adjacent to the MPA's De Hart Street Garage.

The summary below compares Parking Authority operating expense changes between calendar years 2017 and 2018.

Expense Category	2017 Expense	2018 Expense	Change (\$)
Special Services	\$213,363	\$592,301	\$378,938
Maintenance	\$480,473	\$623,049	\$142,576
Property Rent	\$124,117	\$181,223	\$57,106
Enforcement Salaries	\$169,210	\$220,005	\$50,796
Operating & Admin. Salaries	\$1,094,947	\$1,123,870	\$28,923
Security	\$43,575	\$47,348	\$3,773
Miscellaneous	\$29,401	\$25,230	(\$4,171)
Utilities including Electric	\$291,809	\$285,475	(\$6,334)
Office & Administration	\$195,271	\$187,758	(\$7,513)
Taxes, Insurance & Benefits	\$990,991	\$800,090	(\$190,901)
Totals	\$3,633,157	\$4,086,349	\$453,193

As indicated, six (6) expense categories posted increases while four (4) expense categories posted decreases between 2017 to 2018. More detailed information regarding operating expense records and trends can be found in Appendix C and Appendix D.

Parking Authority Budget Comparisons

The Parking Authority budget for 2018 was \$3,865,000 and Parking Authority expenses totaled \$4,086,349 – an overage of \$211,349 or 5.7%. This overage was the result unforeseen legal expenses resulting from litigation involving a shared right-of-way adjacent the Authority’s De Hart Street Garage.

The following summary compares the 2018 budget appropriation with the latest (2019) budget appropriation:

Administrative Categories	2018	2019	Change
Administrative Salaries & Wages	\$604,750	\$626,748	\$21,998
Administrative Wages	\$175,000	\$180,000	\$5,000
Rent & Administrative Expenses	\$170,000	\$117,500	-\$52,500
Administrative Utilities & Taxes	\$168,000	\$157,500	-\$10,500
Service & Maintenance Contracts	\$152,000	\$151,475	-\$525
Insurance & Professional Services	\$103,000	\$105,410	\$2,410
Miscellaneous Administrative	\$18,000	\$19,250	\$1,250
Operating Categories			
Operating Salaries & Wages	\$810,500	\$847,500	\$37,000
Operating Fringe Benefits	\$423,750	\$433,760	\$10,010
Operating Utilities & Insurance	\$425,000	\$422,311	-\$2,689
Snow Removal, Lot & Meter Maintenance	\$360,000	\$357,500	-\$2,500
Ticket Supplies & Security	\$215,000	\$235,500	\$20,500
Consultants & Trustees Fees	\$165,000	\$145,500	-\$19,500
Miscellaneous Operating Expenses	\$75,000	\$65,046	-\$9,954
Totals	\$3,865,000	\$3,865,000	\$0

As indicated, seven budget categories were increased for 2019 and seven budget categories were decreased. The approved MPA budget for 2019 totals \$3,865,000 and is unchanged from the 2018 budget. A five year budget comparison can be found in Appendix E.

6. FINANCIAL SUMMARY & DEBT SERVICE COVERAGE

In 1998, the Parking Authority issued \$ 9,265,000 in Guaranteed Parking Revenue Bonds to finance the John L. Dalton parking garage. In early 2002, older bond series were refunded to take advantage of falling interest rates. In early 2004, the 1998 bonds were refunded via the issuance of \$10,025,000 in Parking Authority Guaranteed Parking Revenue Bonds. In 2007, the MPA issued \$27,180,000 in Guaranteed Parking Revenue Bonds to fund the construction of the De Hart Street garage and 14 Maple office building project. In June 2017, the 2007 bond series was refunded via issuance of \$23,855,000 in MPA Guaranteed Parking Revenue (Refunding) Bonds.

2018 Debt Service Coverage

The 2018 debt service obligation of the Morristown Parking Authority amounted to \$2,129,014 and was composed as follows: \$1,003,553 in principal and interest payments on the Series 2011 Revenue (Refunding) Bonds plus \$1,125,461 in principal and interest payments on the Series 2017 Revenue (Refunding) Bonds.

After debt service payments, net income of the Morristown Parking Authority was \$1,095,764 in calendar year 2018:

Total Income – 2018	\$7,311,127
2018 Operating Expenses	<u>(\$4,086,349)</u>
2018 Net Income <i>before</i> Debt Service	\$3,224,778
2018 Debt Service (principal and interest)	<u>(\$2,129,014)</u>
2018 Net Income <i>after</i> Debt Service	\$1,095,764 ¹

¹ Net income was used to fund portions of the MPA's 6-year \$1.7 million capital improvement program and to fund the planning, design, and development of the MPA's next major parking garage project expected to begin construction by the end of 2019.

Rate Covenants in the MPA Bond Indentures stipulate that parking charges should be set so that “Net Revenues for each Fiscal Year are at least equal to 110% of the Annual Debt Service Requirements”. In 2018 this ratio was 151.5%, exceeding the coverage requirement:

$$\frac{\text{Net Income before Debt Service}}{\text{Debt Service Obligation}} = \frac{\$ 3,224,778}{\$ 2,129,014} = 151.5 \%$$

2019 Debt Service Coverage - Projected

The 2019 payment schedule for the Morristown Parking Authority’s outstanding bonds is summarized below:

February 1, 2019 payment (2011 Refunding Bonds)	\$109,176
February 1, 2019 payment (2017 Refunding Bonds)	\$383,047
August 1, 2019 payment (2011 Refunding Bonds)	\$894,176
August 1, 2019 payment (2017 Refunding Bonds)	\$743,047
<u>Total Debt Service Obligation – 2019</u>	<u>\$2,129,446</u>

Based on the parking consultant’s income estimate for 2019, the approved 2019 budget, and the 2019 debt service obligation, we estimate the following financial summary for Fiscal Year 2019:

Estimated Income – 2019	\$7,325,000
2019 Operating Budget	<u>(\$3,865,000)</u>
2019 Net Income <i>before</i> Debt Service	\$3,460,000
2019 Debt Service (principal and interest)	<u>(\$2,129,446)</u>
2019 Net Income <i>after</i> Debt Service	\$1,330,554

The projected 2019 financial summary translates to an estimated annual debt service coverage ratio of 162.5%, exceeding the debt service coverage requirement of 110% in the

Bond Indenture.

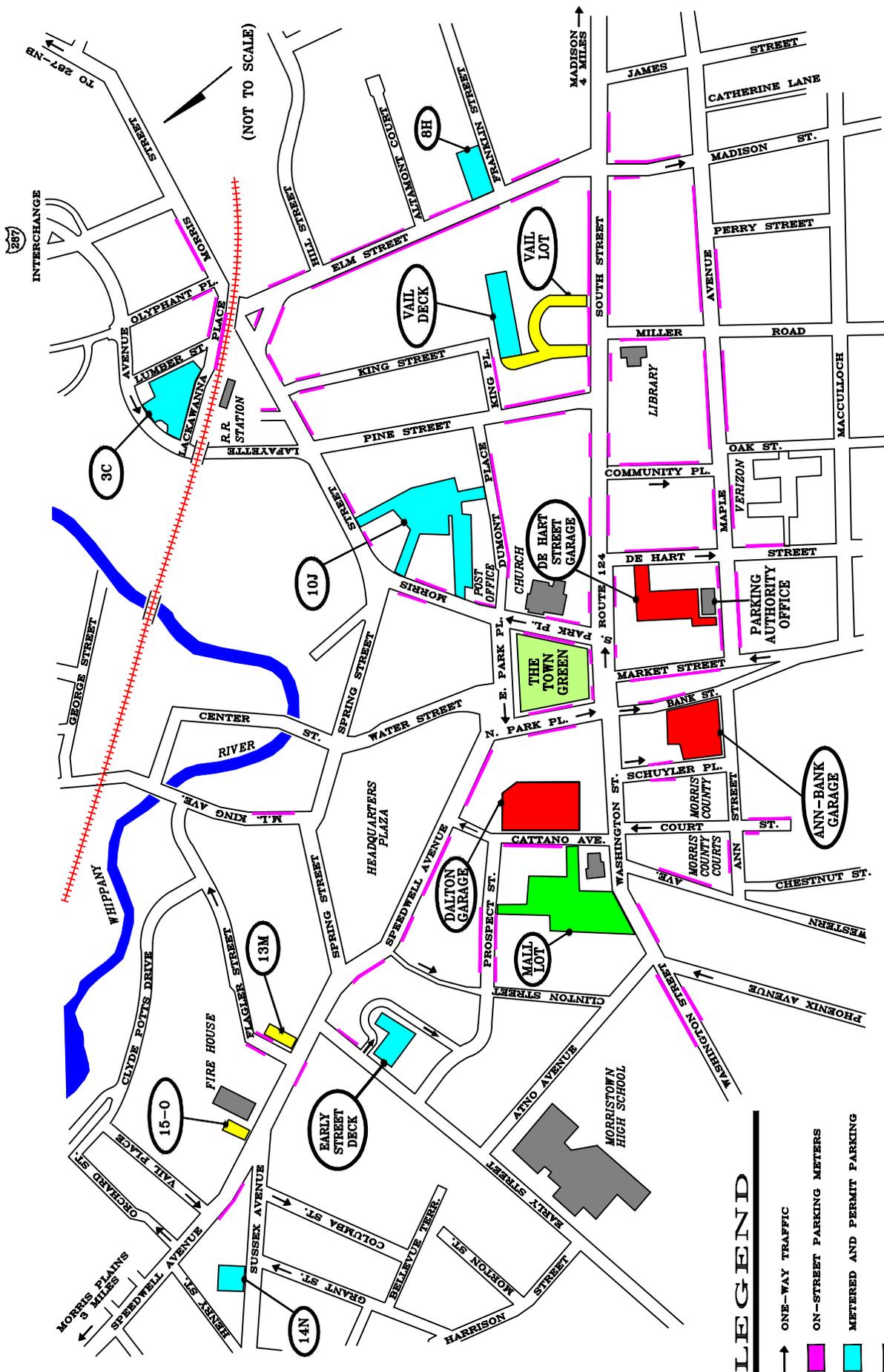
Future Debt Service

Future debt service payments will remain in the \$2,123,000 to \$2,129,000 range over the next five years. Please refer to Appendix F for a summary of the MPA's debt service payment schedule from 2016 to 2023.

7. PROGRAM UPDATES, RECENT DEVELOPMENTS & UPGRADES

Over the past year, the Morristown Parking Authority has been engaged in a number of activities and upgrades designed to improve the Morristown parking experience and the delivery of parking services. The following is a partial listing and brief overview of these activities:

- In 2018 and 2019 the MPA continued to add credit card meters to its on-street meter stock increasing the overall on-street credit card meter supply to over 500;
- The Early Street Parking Deck opened in early 2019 to become the fifth structured parking facility in the MPA's inventory.
- The final phase of the Epstein's Redevelopment (an award winning redevelopment project involving the MPA) was completed in 2018 and is fully occupied;
- The MPA is in the design stages of a new parking garage project to be situated on the site of Lot 10. Construction is expected to begin by the end of 2019;
- The MPA remains involved in downtown redevelopment proposals and continues to work closely and in cooperation with Town officials in these regards;
- As part of the Town's "Clean & Safety" initiative, the MPA has continued to fund police patrols in the De Hart garage during evening hours on certain days. In addition, the MPA has extended the hours of evening security patrols throughout the system.



APPENDIX A
PARKING FACILITIES
of the
MORRISTOWN PARKING AUTHORITY

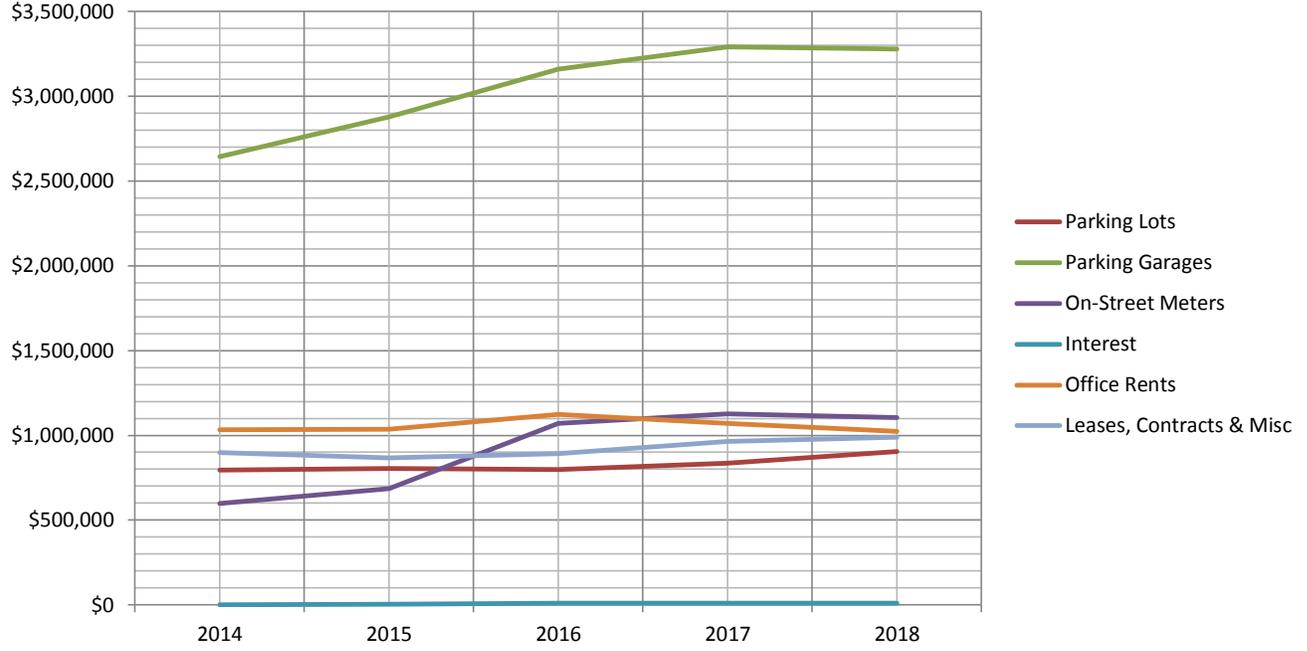
APPENDIX B 5-YEAR ANNUAL INCOME, EXPENSE & NET INCOME SUMMARY (1)

	2014	2015	2016	2017	2018
<u>Income from Lots</u>					
Lot 3C	\$150,752.90	\$136,446.81	\$132,388.91	\$159,283.73	\$231,874.09
Lot 6F	\$39,567.96	\$37,266.38	\$7,794.49	\$0.00	\$0.00
Lot 8H	\$41,536.19	\$43,759.54	\$55,942.14	\$63,002.36	\$55,179.61
Lot 9I - Vail Lot / Deck	\$96,204.65	\$122,196.71	\$114,963.19	\$120,315.16	\$109,946.05
Lot 10J	\$196,356.28	\$208,767.99	\$212,105.76	\$210,648.58	\$202,544.25
Lot 13M	\$3,111.40	\$3,608.27	\$3,924.56	\$3,515.28	\$3,604.78
Lot 14N	\$2,263.08	\$2,509.26	\$3,657.86	\$4,581.13	\$2,567.12
Lot 15O	\$7,402.83	\$6,743.80	\$11,253.71	\$12,695.59	\$12,822.18
Mall Lot (incl. stamps)	\$256,602.00	\$244,365.00	\$257,369.00	\$261,160.00	\$284,657.50
Total Lot Revenue	<u>\$793,797.29</u>	<u>\$805,663.76</u>	<u>\$799,399.62</u>	<u>\$835,201.83</u>	<u>\$903,195.58</u>
<u>Income from Garages</u>					
De Hart Street Garage	\$1,311,919.93	\$1,428,689.08	\$1,638,624.32	\$1,754,733.85	\$1,708,264.37
Ann-Bank Garage	\$588,245.03	\$683,967.41	\$665,610.10	\$792,013.51	\$770,467.60
Dalton Garage	\$743,541.93	\$765,856.39	\$853,610.44	\$743,490.41	\$799,008.24
Total Garage Revenue	<u>\$2,643,706.89</u>	<u>\$2,878,512.88</u>	<u>\$3,157,844.86</u>	<u>\$3,290,237.77</u>	<u>\$3,277,740.21</u>
Curb Meter Revenue	<u>\$596,780.18</u>	<u>\$684,993.55</u>	<u>\$1,071,630.71</u>	<u>\$1,127,884.57</u>	<u>\$1,106,218.29</u>
Total Income from Parking	<u>\$4,034,284.36</u>	<u>\$4,369,170.19</u>	<u>\$5,028,875.19</u>	<u>\$5,253,324.17</u>	<u>\$5,287,154.08</u>
<u>Other Income</u>					
Leases & Other Contract Income (2)	\$567,907.15	\$647,594.61	\$554,342.83	\$588,765.26	\$578,611.70
Interest	\$478.91	\$2,665.44	\$10,567.94	\$10,262.27	\$10,219.07
Office Rent	\$1,034,332.04	\$1,034,448.75	\$1,122,586.96	\$1,069,360.67	\$1,023,873.30
Meter Cards & Misc.	\$111,376.03	\$56,302.86	\$106,970.93	\$121,312.46	\$146,323.39
Solar Energy Credits	\$20,385.00	\$0.00	\$0.00	\$32,563.50	\$24,408.00
Parking Debit Cards	\$87,244.75	\$130,714.62	\$142,823.39	\$143,071.49	\$132,420.47
Validation Stamps	\$109,964.83	\$32,781.41	\$88,520.58	\$76,824.57	\$108,116.64
Total Other Income	<u>\$1,931,688.71</u>	<u>\$1,904,507.69</u>	<u>\$2,025,812.63</u>	<u>\$2,042,160.22</u>	<u>\$2,023,972.57</u>
Grand Total Income	<u>\$5,965,973.07</u>	<u>\$6,273,677.88</u>	<u>\$7,054,687.82</u>	<u>\$7,295,484.39</u>	<u>\$7,311,126.65</u>
Operating Expenses	<u>(2,908,752.42)</u>	<u>(2,996,194.21)</u>	<u>(3,282,435.00)</u>	<u>(3,633,156.77)</u>	<u>(4,086,349.45)</u>
<i>Net Income - before Debt Service</i>	\$3,057,220.65	\$3,277,483.67	\$3,772,252.82	\$3,662,327.62	\$2,156,393.04

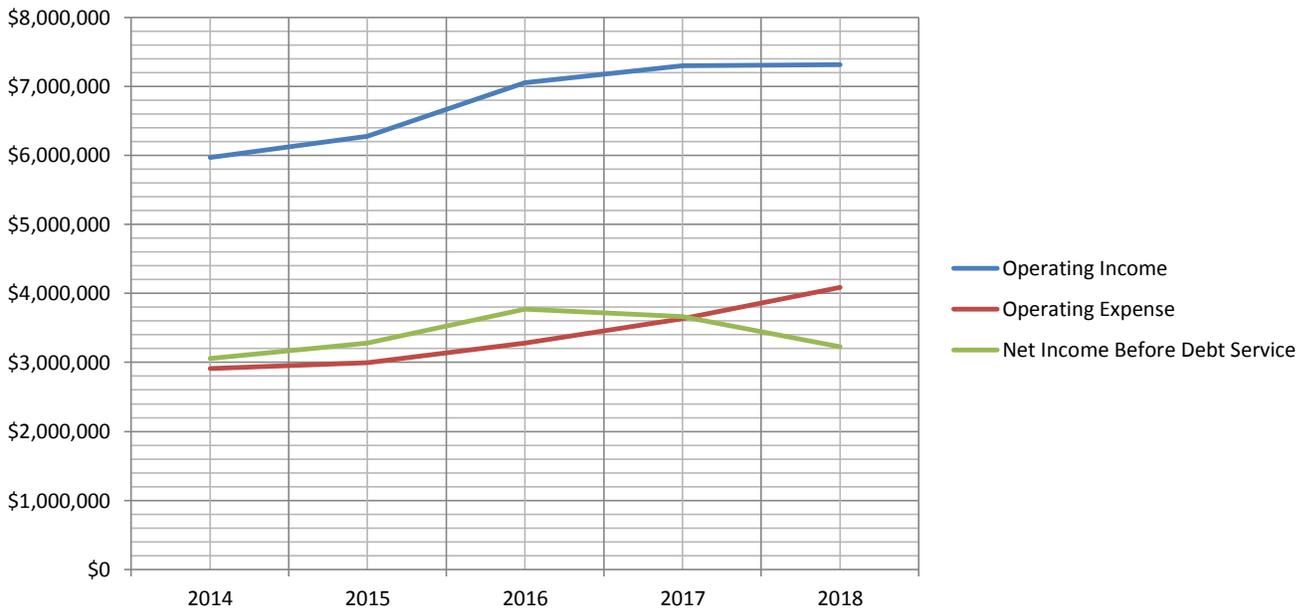
(1) Source: Morristown Parking Authority Annual Financial Statements

(2) Incremental Cost (Ann-Bank), Applied Ground Lease (Mall), Temporary Lots, Washington - Cattano, Granite, Morristown Green, Vail Guarantee

REVENUE TRENDS



FINANCIAL SUMMARY



APPENDIX D
FIVE-YEAR ANNUAL OPERATING AND MAINTENANCE EXPENSE SUMMARY*
MORRISTOWN PARKING AUTHORITY

	2014	2015	2016	2017	2018
Operating and Administrative Salaries	\$915,237	\$982,943	\$963,473	\$1,094,947	\$1,123,870
Taxes, Insurance, & Benefits	\$586,221	\$666,641	\$855,511	\$990,991	\$800,090
Maintenance	\$426,413	\$389,248	\$441,532	\$480,473	\$623,049
Utilities including Electricity	\$279,417	\$281,050	\$270,712	\$291,809	\$285,475
Enforcement Salaries	\$121,322	\$144,497	\$204,813	\$169,210	\$220,005
Office & Administrative	\$218,785	\$184,170	\$183,314	\$195,270	\$187,758
Security	\$109,526	\$116,032	\$38,287	\$43,575	\$47,348
Special Services	\$101,546	\$89,016	\$135,253	\$213,363	\$592,301
Property Rents	\$112,759	\$116,678	\$120,333	\$124,117	\$181,223
Miscellaneous	\$37,526	\$25,919	\$69,207	\$29,401	\$25,230
Totals	\$2,908,752	\$2,996,194	\$3,282,435	\$3,633,157	\$4,086,349

*Source: Parking Authority Annual Financial Statements

APPENDIX E
5-YEAR BUDGET COMPARISON
MORRISTOWN PARKING AUTHORITY

	2015	2016	2017	2018	2019
De Hart Street Garage	\$635,255	\$651,934	\$729,747	\$790,899	
Dalton Garage	\$504,258	\$529,302	\$599,095	\$640,636	
Ann / Bank Garage (Lot 12L)	\$441,319	\$454,477	\$505,246	\$539,353	
14 Maple Avenue Office Building	\$292,406	\$282,406	\$282,437	\$286,736	
Salaries	\$277,264	\$272,760	\$317,280	\$353,520	
Taxes & Insurance Coverage	\$191,292	\$217,452	\$252,540	\$287,740	
Maint. Expenses / Meter Fees	\$135,750	\$192,750	\$199,750	\$201,750	
High Street Mall Expenses	\$184,157	\$187,294	\$214,371	\$225,227	
10 Pine Street Office Building	\$171,646	\$176,191	\$180,112	\$188,736	
Special Services	\$131,376	\$167,375	\$163,675	\$162,960	
Vail Parking Facilities	\$90,342	\$92,094	\$112,457	\$111,728	
Miscellaneous	\$39,735	\$40,765	\$31,090	\$35,515	
Administrative Expenses	\$23,000	\$23,000	\$25,000	\$28,000	
Electrical Utility Expenses (Lots)	\$9,500	\$9,500	\$9,500	\$9,500	
Property Lease	\$2,700	\$2,700	\$2,700	\$2,700	
TOTALS	\$3,130,000	\$3,300,000	\$3,625,000	\$3,865,000	

<i>Administrative Categories:</i>	2018	2019
Salaries and Wages	\$604,750	\$626,748
Administrative Salaries	\$175,000	\$180,000
Rent and Administrative Expenses	\$170,000	\$117,500
Utilities and Taxes	\$168,000	\$157,500
Service and Maintenance Contracts	\$152,000	\$151,475
Insurance and Professional Services	\$103,000	\$105,410
Miscellaneous	\$18,000	\$19,250
<i>Operating Categories:</i>		
Salaries and Wages	\$810,500	\$847,500
Fringe Benefits	\$423,750	\$433,760
Utilities and Insurance	\$425,000	\$422,311
Snow Rem'l, Lot & Meter Maint.	\$360,000	\$357,500
Ticket Supplies and Security	\$215,000	\$235,500
Consultants and Trustee Fees	\$165,000	\$145,500
Miscellaneous	\$75,000	\$65,046
TOTALS	\$3,865,000	\$3,865,000

Note: Categories revised in 2018 to comport with State of New Jersey guidelines

**APPENDIX F
DEBT SERVICE SCHEDULE
8-YEAR SUMMARY
Morristown Parking Authority**

	Series 2007 Principal	Series 2007 Interest	Series 2007 Total	Series 2011 Principal	Series 2011 Interest	Series 2011 Total	Series 2017 Principal	Series 2017 Interest	Series 2017 Total	Grand Totals
February 1, 2016 payment	\$0.00	\$597,355.01	\$597,355.01		\$145,951.25	\$145,951.25				\$743,306.26
August 1, 2016 payment	\$260,000.00	\$597,355.01	\$857,355.01	\$710,000.00	\$145,951.25	\$855,951.25				\$1,713,306.26
Total 2016 payments	\$260,000.00	\$1,194,710.02	\$1,454,710.02	\$710,000.00	\$291,902.50	\$1,001,902.50				\$2,456,612.52
February 1, 2017 payment		\$590,855.01	\$590,855.01		\$135,301.25	\$135,301.25				\$726,156.26
August 1, 2017 payment	\$265,000.00	\$265,000.00	\$530,000.00	\$735,000.00	\$135,301.25	\$870,301.25				\$1,135,301.25
Total 2017 payments		\$590,855.01	\$590,855.01	\$735,000.00	\$270,602.50	\$1,005,602.50				\$1,861,457.51
February 1, 2018 payment					\$124,276.25	\$124,276.25				\$607,865.78
August 1, 2018 payment				\$755,000.00	\$124,276.25	\$879,276.25	\$255,000.00	\$386,871.63	\$641,871.63	\$1,521,147.88
Total 2018 payments				\$755,000.00	\$248,552.50	\$1,003,552.50	\$255,000.00	\$870,461.16	\$1,125,461.16	\$2,129,013.66
February 1, 2019 payment					\$109,176.25	\$109,176.25				\$492,222.88
August 1, 2019 payment				\$785,000.00	\$109,176.25	\$894,176.25	\$360,000.00	\$383,046.63	\$743,046.63	\$1,637,222.88
Total 2019 payments				\$785,000.00	\$218,352.50	\$1,003,352.50	\$360,000.00	\$766,093.26	\$1,126,093.26	\$2,129,445.76
February 1, 2020 payment					\$93,476.25	\$93,476.25				\$469,988.16
August 1, 2020 payment				\$815,000.00	\$93,476.25	\$908,476.25	\$370,000.00	\$376,511.91	\$746,511.91	\$1,654,988.16
Total 2020 payments				\$815,000.00	\$186,952.50	\$1,001,952.50	\$370,000.00	\$753,023.82	\$1,123,023.82	\$2,124,976.32
February 1, 2021 payment					\$77,176.25	\$77,176.25				\$446,864.06
August 1, 2021 payment				\$850,000.00	\$77,176.25	\$927,176.25	\$380,000.00	\$369,687.81	\$749,687.81	\$1,676,864.06
Total 2021 payments				\$850,000.00	\$154,352.50	\$1,004,352.50	\$380,000.00	\$739,375.62	\$1,119,375.62	\$2,123,728.12
February 1, 2022 payment					\$64,426.25	\$64,426.25				\$426,962.56
August 1, 2022 payment				\$875,000.00	\$64,426.25	\$939,426.25	\$395,000.00	\$362,536.31	\$757,536.31	\$1,696,962.56
Total 2022 payments				\$875,000.00	\$128,852.50	\$1,003,852.50	\$395,000.00	\$725,072.62	\$1,120,072.62	\$2,123,925.12
February 1, 2023 payment					\$50,207.50	\$50,207.50				\$405,243.56
August 1, 2023 payment				\$900,000.00	\$50,207.50	\$950,207.50	\$415,000.00	\$355,036.06	\$770,036.06	\$1,720,243.56
Total 2023 payments				\$900,000.00	\$100,415.00	\$1,000,415.00	\$415,000.00	\$710,072.12	\$1,125,072.12	\$2,125,487.12