



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: February 25, 2008
Author: RG (Bob) Macdonald
Phone No.: 604.873.7347
RTS No.: 5423
VanRIMS No.: 05-4250-31
Meeting Date: March 11, 2008

TO: Standing Committee on Transportation and Traffic
FROM: General Manager of Engineering Services
SUBJECT: Review of Pay by Phone Parking Program

RECOMMENDATION

- A. THAT the existing temporary full time EA III Pay by Phone position be made regular full time (subject to review and classification by the General Manager of Human Resources) to provide technical support and work on potential service enhancements. The estimated \$58,000 cost of this position is funded from increased parking meter revenues.
- B. THAT Council endorse a request to the Provincial Government for a change to the Vancouver Charter to allow Council, by by-law, to charge for parking on streets other than by the use of parking meters, including the exclusive use of Pay by Phone, and to classify vehicles for the purpose of establishing fees for parking on city streets.
- C. THAT staff bring forward the necessary by-law changes to enable the City to use pay stations to regulate on-street parking.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services RECOMMENDS approval of A, B and C.

COUNCIL POLICY

Council policy is that any increase in program costs should be offset by cost reductions or revenue enhancements.

SUMMARY

The City of Vancouver introduced Pay by Phone parking in June of 2006. This report provides an overview of the success of the program. Pay by Phone use has been greater than initially expected, it has been well received by the public, and the program continues to grow in popularity with 3500 new customers signing up every month.

Pay by Phone opens up opportunities for the City to better manage its street parking resource. Staff continue to explore pricing options for street parking in commercial areas, including the pricing of all day parking with exclusive Pay by Phone use subject to a Charter amendment. New on-street parking equipment (pay stations) with Pay by Phone compatibility is also being explored and tested subject to the necessary by-law changes.

The report recommends that a full time regular staff position be created to replace the temporary position created for implementation and technical support for the program.

PURPOSE

This report reviews the success of the City's Pay by Phone program.

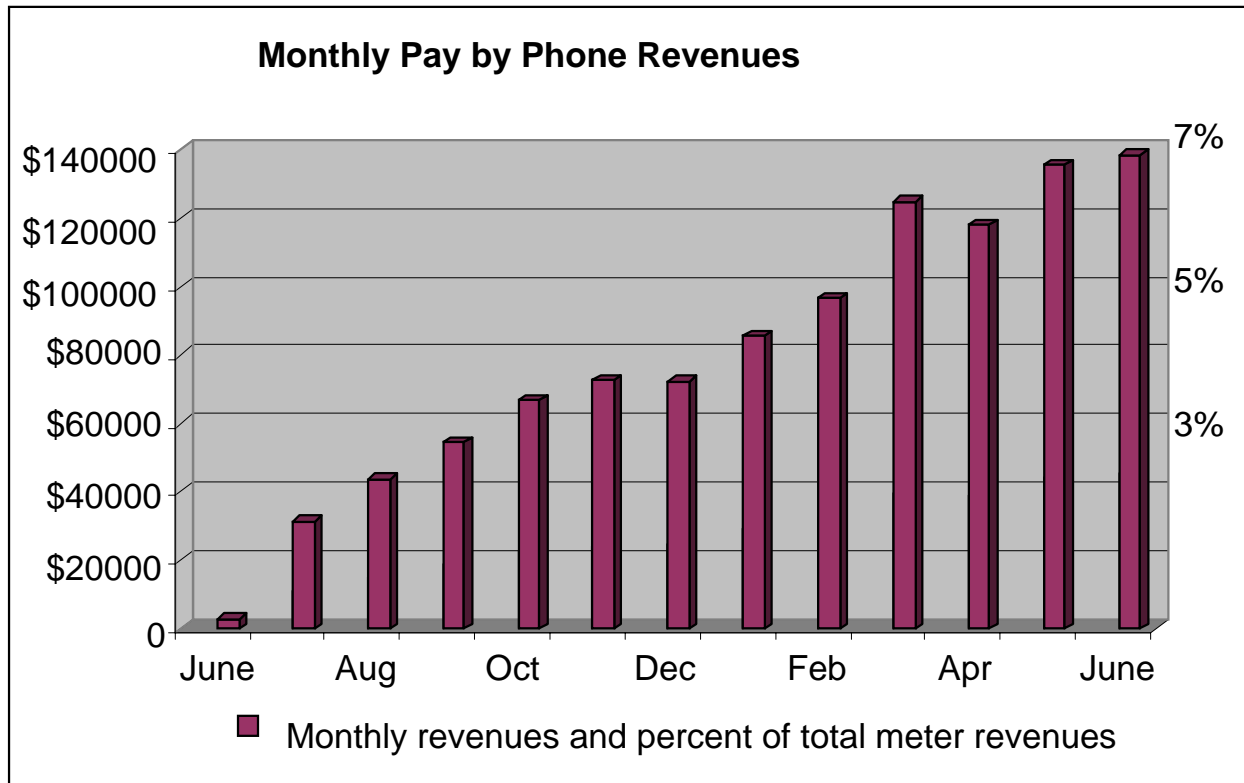
BACKGROUND

In June 2006 the City of Vancouver, with the City's contract provider Verrus, introduced a Pay by Phone program to allow the public to pay for parking at City parking meters by phone.

The program allows the public to pay for on street parking with a simple phone call after creating an account with Verrus. The customer's license plate number is noted and parking enforcement staff, who have real time access to information through hand held units, can determine the payment status of the vehicle as they patrol parking meters.

The program is well received by the public, who appreciate its ease of use and features such as text message reminders, payment transaction tracking, and the provision of statements for business expense accounting. There is a \$0.30 per use charge, which covers the program's operation and set up costs. The program has seen a steady growth in use since its inception in late June 2006. At the end of the first year Pay by Phone revenue represented approximately 7% of daily on street parking revenue (see Figure 1), which is ahead of our 1st year target of 5%.

Figure 1



Behind this growth in use is a continuing increase in the number of Pay by Phone customers. This number has grown continuously by about 3,500 new customers every month since the program's start. There are now almost 40,000 Vancouver customers and approximately 90,000 lower Mainland Verrus customers, which are able to use the Pay by Phone system.

DISCUSSION

Continuing growth of program

The Pay by Phone program is expected to grow and our target at the end of 4 years is to have 20% of meter payments by phone. To continue to grow a number of enhancements and promotional opportunities are being pursued.

- Promotional / advertising programs

There have been a number of promotional campaigns including ads in the real estate magazine in conjunction with a marketing program targeting lower mainland real estate agents. There have also been promotions through the Wired Women of Vancouver organization, and ads on TransLink buses.

A marketing program to target various city businesses has been launched to introduce the new corporate account program noted below. A "Dial for Dollars" campaign has also been launched where Verrus awards a \$100 prize to a Pay by Phone user every day.

- Corporate accounts for increased flexibility for fleet vehicles

As of October 1, 2007 the City and Verrus are piloting a program which offers companies the ability to create corporate accounts to better suit those organizations with a fleet of vehicles or groups of employees using their vehicles for business purposes. Using a corporate account, many users (and vehicles) can now be associated and billed through a single Verrus account providing a company with easier management and better control of transportation related costs. At the same time, employees will benefit from a payment method which is more convenient than having to carry large numbers of coins.

- Prepaid accounts for reduced user charges

By the middle of 2008 Verrus and the City plan to offer prepaid accounts which will have the benefit of reduced user fees due to reduced bank and communication costs. This will particularly benefit frequent users, including corporations and large organizations such as Vancouver Coastal Health.

New opportunities / potential program changes

Several new programs are being explored to take advantage of the capabilities of Pay by Phone.

- Pricing unmetered Central Core parking with Pay by Phone exclusively

There are non-residential areas in the Central Core that have limited short term parking demand and are thus left unregulated. These spaces, such as those on Pacific and Expo Boulevards east from the existing metered area, are generally used by employees for daytime parking. In these areas the capital costs of parking meter equipment would be high relative to revenues. The use of Pay by Phone exclusively would lower capital costs by eliminating the need for parking meter equipment. A trial could be implemented to assess public feedback. A charter change, as noted below, is required before proceeding. The pricing could be similar to the adjacent hourly meter rate, however, there could also be an all day maximum charge option available to reflect the market pricing of this street space.

- Pricing new and existing commercial vehicle zones with Pay by Phone.

Reviewing the use and pricing of commercial vehicle zones may allow the legalization of some over size vehicle on-street parking spaces in industrial areas, particularly south of Marine Drive. It may also allow a daily payment by particular user groups such as couriers and bus companies to cover the cost of

parking at metered and commercial vehicle spaces. The review would include consultations with stakeholders. Charter amendments are required before these initiatives can be implemented.

- Pay stations

The use of parking pay stations compatible with the Pay by Phone system is being explored as a potential option to control on-street parking spaces. In particular, pay stations which track parking usage with vehicle license plates is just coming into the marketplace. Staff plan to initiate a trial of this equipment later this year and recommend a by-law change to allow this to proceed. Subject to the trial and a business evaluation, this equipment could replace some of our existing parking meters and be used in new locations.

The Director of Legal Services advises that the Vancouver Charter would need to be amended to implement any scheme which uses Pay by Phone exclusively for the pricing of on-street parking spaces. Therefore, a Charter amendment is recommended by staff to broaden the authority to charge for parking exclusively by Pay by Phone, and to classify vehicles for the purpose of establishing fees for parking on streets. This would be submitted to the Province in early 2008 for potential approval in 2009.

FINANCIAL IMPLICATIONS

The costs of the Pay by Phone program are primarily paid for by Verrus through the \$0.30 customer user fee. Verrus paid for the development and implementation of the program and continue to pay to maintain the service and provide public call support, which is done through City parking enforcement staff and reimbursed.

At the end of the 1st year Pay by Phone revenue was approximately 40% higher, while the number of customers was 30% lower than anticipated. This shows that Pay by Phone customers use the program frequently given their higher than average parking costs.

The initial business case estimated that parking meter revenues would increase by \$200,000 annually through increased compliance at City parking meters. This has been met and, parking meter revenues exceeded our budget targets by approximately \$300,000 in the first year of operation.

The amount of coins collected from our meters has remained relatively constant as total revenues have increased by roughly the same amount as the Pay by Phone revenues. As a result the City has avoided any increase in costs that would have been incurred for the collection and processing of coins from meters.

PERSONNEL IMPLICATIONS

It is recommended that the existing temporary full time EAIII Pay by Phone position be made regular full time (subject to review and classification by the General Manager of Human Resources) to provide continued in-house technical support and to pursue further

opportunities for Pay by Phone use. The \$58,000 estimated cost of this position would be funded from increased parking meter revenues.

It is expected that there will be a need for another full time regular position for customer service support in mid 2008 due to increasing use of Pay by Phone. Staffing levels will be increased with temporary staff as required until there is a justification for a full time position. Any new staff will be funded by Verrus.

ENVIRONMENTAL IMPLICATIONS

The Pay by Phone payment system is environmentally sustainable, as wireless technology has no need for paper transaction receipts. The Pay by Phone system allows on-street parking spaces to be better managed and priced appropriately to influence transportation choices towards more sustainable modes.

CONCLUSION

The Pay by Phone program has been very successful in its first year of operation. Expectations have been met and recommendations are made for the continuation and further development of the program.

* * * * *