

12. PARKING METER REPLACEMENT

General Manager responsible:	General Manager City Environment
Officer responsible:	Transport & City Streets Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek delegated authority for the General Manager Corporate Services to give the necessary financial approvals to put in place a strategy to ensure that Christchurch City parking meters can accept legal tender prior to the coin change proposed by the Reserve Bank of New Zealand in July 2006.

EXECUTIVE SUMMARY

2. The pending release into circulation of new 10, 20, and 50 cent coins will result in the need to make changes to the current parking meter system. As advised to all Councillors by the General Manager City Environment and Transport and City Streets Manager in their memoranda dated 13 and 19 December 2005 (attached), it is proposed to replace the current parking meters with pay and display meters. This proposal is unfunded in the current financial year but capital funding for meter replacement/renewal is provided for in the 2006/07 financial year (\$3.66m) and is programmed over a six year period in the base programme. This will need to be reprogrammed. Net additional revenue is estimated to be \$725,000 arising from an expected increase in the compliance rate as has been experienced elsewhere.
3. Until the results of the request for proposal are known it is difficult to accurately estimate the costs to replace all the meters. Based on experience in other cities and the best information available to staff at this stage it is estimated that full replacement of current parking meters with pay and display equipment will cost approximately \$3.2m and will require early write off of about \$500,000. The total cost is therefore estimated to be in the order of \$3.7m.

FINANCIAL/FUNDING

4. This proposal is not funded in the current financial year but capital funding for meter replacement/renewal is provided in 2006/07 and subsequent six financial years (totalling \$3.66m). The estimated cost of replacement of all meters is of the order of \$3.2m and will require early write off of about \$500,000. The total cost is therefore estimated to be in the order of \$3.7m.
5. Net additional revenue is estimated to be \$725,000 arising from the increased compliance rate.

STAFF RECOMMENDATION

It is recommended that the Council delegate authority to the General Manager Corporate Services to amend the current annual plan by transferring sufficient financial provision for the meter replacement from the 2006/07 and subsequent financial years to the 2005/06 annual plan and arrange for the early write-off of the remaining book value of the existing equipment.

BACKGROUND ON PARKING METER REPLACEMENT

6. Currently Christchurch has a confusing mixture of single head, double head, single two bay, Telkor and Reino multi bay, and PSA 2000 and Ezipark pay and display parking meters (seven different types). This replacement proposal will standardise all parking meters in Christchurch and improve user friendliness.
7. Existing parking meters have an average age of seven years and a remaining book value of approximately \$500,000.
8. Advanced technology provides multiple payment options not available with our existing meters. These options include paying by means of credit/smart card or cell phone using text facility (currently for Vodafone customers but expected to be extended to Telecom in the near future). In addition new systems provide on-line fault diagnosis, audit, revenue trends, and asset management information which do not exist with current parking meters.
9. The number of parking meters on street will reduce from 1,700 to approximately 350-400 thus reducing visual pollution of the streetscape.
10. New generation Pay and Display machines have been successfully installed in Auckland, Wellington, Dunedin and are being installed in parts of Nelson.
11. Currently \$3.6m is collected from parking meters annually returning a net surplus of about \$3m.

WORK COMPLETED TO DATE

12. The Council has a tight time frame to complete this work and a supplier agreement will need to be issued to an approved supplier by no later than the middle of March 2006. In order to expedite the work specifications have been developed and a Request for Proposal (RFP) was advertised on Wednesday 25 January 2006. Proposals from prospective suppliers close with the Council on 22 February 2006.

OPTIONS CONSIDERED

13. In order to fund the replacement of the parking meters the necessary funding must be provided. The current (2004/14) programme provides for the replacement of the parking meters in the 2006/07 and subsequent six years to the total value of \$3.66m as shown below.

2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total
\$663,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$300,000	\$200,000	\$3,663,000

14. This is included in the base programme proposed for the 2006/16 LTCCP. Replacement as proposed will require a reprogramming of this expenditure.
15. Options include:
 - (a) Approve transfer after tenders are approved
 - (i) Under this option the tender award will be delayed with an increased risk of not being able to implement the replacement in time. This will result in inconvenience to the public and carry a potential loss of income to the Council.
 - (b) Delegate authority to approve transfers
 - (i) Under this option the tender award can proceed without delay and the risk of non completion of the replacement programme will be reduced.

PREFERRED OPTION

16. The preferred option is to delegate authority to the General Manager Corporate Services to approve the transfer of the necessary funds to the 2005/06 year to provide for the total replacement of all current meters and pay and display machines with new generation P&D equipment.