

Finance Committee Report
RE: LAZ FY19 Budget
LAZ Management Agreement

COPY

Date: August 28, 2018

Chair: Christopher Etori

Other committee members present: Alderman Whitcomb, President Davis (quorum)

Other Aldermen present: Alderman Tommola

Others present:

Mayor Allaire

Treasurer Mary Markowski

City Attorney Matt Bloomer

John Santaniello, LAZ Director of Operations

Ray LaMoria, LAZ

The meeting convened at 5:35 pm to review the proposed FY19 budget for the operation of the parking garage and the new management contract with LAZ. John Santaniello discussed the sources and trends in the revenues, noting items like the positive impact of Castleton purchasing passes for its students and of potential commercial development. There was brief discussion on the low numbers of non-passholder parking, specifically transient and validated parking. The committee agreed that it was important for LAZ to work with businesses and organizations like the Paramount to help drive additional traffic into the parking garage. John also discussed the reduction in expenses, primarily driven by moving the significant electric costs onto SoV in the new contract. LAZ also gave a few examples of how they are helping to watch costs – like negotiating a reduced long term snow removal contract and using their internal customer care center for 24 hour customer service thereby reducing onsite payroll costs. With \$265K in budgeted revenues and \$263K in budgeted expenses, this is the first budget where LAZ is predicting a slight surplus. President Davis moved for the approval of LAZ's FY19 Budget as presented. The motion passed 3-0, and I so move.

Next the committee discussed the LAZ management agreement. Attorney Bloomer detailed the new agreement, making notes of a few changes, such as changing the length to five years and modifying LAZ's incentive bonus structure. President Davis moved to approve the LAZ Management Agreement as presented and authorize the mayor to sign. The motion passed 3-0, and I so move.

The meeting ended at 6:20 pm.

Respectfully submitted,



Christopher Etori