You’ve Got to Crunch the Numbers

How Finance and Operations work together for success

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Texas A&M Transportation Services Presenters

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Learning Objectives

- Identify methods to project and implement a long-term financial plan.
- Identify best practices in making long-term operational change.
- Recognize how finance and operations can work together for success.
Case Study 1
Transportation Fee to Modernize and Expand Transit Services
Goal

Move Transit operation funding model away from bus pass sales to a per-student Transportation Fee to improve and grow transit service provided.
Financial Tasks

*Produce credible financial proposal demonstrating basis for transportation fee*

- Downward spiral of using bus pass sales to finance transit operation
- Long-term operating plan requires revenue that can be projected
- Show projection based on historic major costs
Operational Tasks

Determine what changes need to be made and when

- Ensure ops plan stands up to added customer scrutiny and heightened expectations
  - Low cost operations
  - Pay plans and driver appreciation
  - Formalized in-house training
  - Bus replacement plan
  - Improved technologies and software
Results

- Over 200 student and 15 full-time drivers
- New software provides real-time maps, arrival time and bus occupancy
- New cameras on and in buses for accident investigation and addressing safety complaints
- Dispatching dashboard provides much real time and historic data
- Over 7 million rides and 130,000 service hours per year
- 7th largest transit operation in the state at one of the lowest cost per hour
Poll Question: Do you run your bus service in house?
Poll Question: How is your transit operation funded?

- Student fee
- Bus pass sale
- Subsidized by parking or other revenue
- More than one source
- Other
Case Study 2
Changing parking system from a ‘license to hunt’ to lot-specific assignments
Goal

Eliminate the frustration in a license to hunt parking system by implementing:

- New parking software
- Lot-specific parking assignment program
- Image change campaign
- A managed, waiting list-based, quality parking system
Financial Tasks

Understand and assess departmental vision and goals for desired changes

- Technology, software, equipment and capital maintenance needs
- Planned staff growth
- Costs of new initiatives
- Future capital projects

Prepare and maintain accurate projections

- Strategically use financial reserves
- Determine timing for projects and staff growth based on financial projections

Monitor and adjust projections throughout the year
Operational Tasks

- Sell the concept of wholesale change in the parking system
- Sell the concept of “no free parking”
- Establish robust IT, marketing and construction management teams
Operational Tasks

- Implement new software, technology and business processes
- Establish TDM program
- Work to change negative image of department
Results

- Complaints dropped dramatically
- Towing reduced 70%
- Citation fine revenue dropped $1M but total revenue increased
- Award-winning operation
  - University parking organization of the year

✓ Innovative parking organization of the year
✓ Accredited parking organization with distinction
✓ Numerous other marketing and individual awards
Poll Question: Do you have lot specific permits or hunting licenses?

- Lot specific permits
- Hunting licenses
- Hybrid
Poll Question: Do you award parking assignments based on a priority system or hierarchy?

• Yes
• No
Case Study 3

Charging for event parking and improving customer experience
Goal

Implement paid parking for home football game days; manage the operation to provide a quality, organized, revenue-producing event resulting in a true Game Day Experience for fans.
Financial Tasks

- Analyze event parking expenses and calculate the cost per space
- Articulate disparity between cost of providing daily visitor parking and managing event parking
- Introduce and promote the idea to booster organization of wholesale and retail parking pricing
- Establish non-booster rates for drive up customers
- Prepare and execute MOUs for major sports or events
Operational Tasks

- Establish a robust special events team and RV operation
- Create core set of premium lots for boosters and sell the rest
- Provide full service and less expensive or “free” alternatives
- Create nimble, adaptable game day operational and traffic plans
Operational Tasks

- Create widespread collaboration among entities and get their buy in
- Create multifaceted marketing campaign
Results

• Ten year agreements with booster organization for football, baseball and basketball
• Earnings exceed $2M annually with reasonable profit margin
• Improved relationships with campus and community partners
• Reduced traffic congestion
• Continue allowing employees and students with permits to park
Poll Question: Which organization manages game day parking?

- Parking
- Athletics
- University Police
- Other/Combo
Poll Question: Does the parking operation receive a portion of game day parking revenue?

- Yes
- No
Q&A
Thank you!

Feel free to reach out our speakers:

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