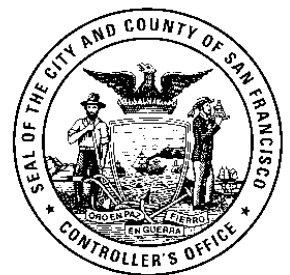# Impark Parking LLC, in General, Adequately Performed Operational Duties, but a Few Improvements Can Strengthen Its Operations at the Sutter Stockton Parking Garage

San Francisco Municipal Transportation Agency

AUDITS DIVISION

February 8, 2024

City & County of San Francisco
Office of the Controller
City Services Auditor

About the Audits Division

The City Services Auditor (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Within CSA, the Audits Division ensures the City's financial integrity and promotes efficient, effective, and accountable government by:

- Conducting performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of service delivery and business processes.
- Investigating reports received through its whistleblower hotline of fraud, waste, and abuse of city resources.
- Providing actionable recommendations to city leaders to promote and enhance accountability and improve the overall performance and efficiency of city government.

Audit Authority

CSA conducted this audit under the authority of the San Francisco Charter, Section 3.105 and Appendix F, which requires that CSA conduct periodic, comprehensive financial and performance audits of city departments, services, and activities.

OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

February 8, 2024

Board of Directors
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Mr. Jeffrey Tumlin
Director of Transportation
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Dear Board Chair, Board Members, and Director Tumlin:

The Office of the Controller's City Services Auditor (CSA), Audits Division, engaged Sjoberg Evashenk Consulting, Inc., (SEC) to audit the lease agreement (lease) under which Impark Parking LLC (Impark) operates the Sutter Stockton Parking Garage (garage). SEC also reviewed the management and oversight of the lease by the San Francisco Municipal Transportation Agency (SFMTA).

Reporting Period: January 1, 2021, through December 31, 2022

Revenue: $11,011,545

Results:

Impark reported to SFMTA $11,011,545 in operating revenues and $4,207,587 in expenses during the audit period. In general, SFMTA ensured that Impark appropriately performed most garage activities, with the goal of ensuring satisfactory operational and financial performance at the garage. However, the audit identified a few areas in which SFMTA could improve its oversight of the garage's operations and better monitor Impark's compliance with the lease.

The report includes ten recommendations for SFMTA to improve its oversight of the garage lease. The responses from SFMTA and Impark are attached. CSA will work with the department to follow up every six months on the status of the open recommendations made in this report.

CSA appreciates the assistance and cooperation of all staff involved in this audit. For questions about the report, please contact me at mark.p.delarosa@sfgov.org or 415-554-7574 or CSA at 415-554-7469.

Respectfully,

Mark de la Rosa
Director of Audits

cc: Board of Supervisors
        Budget Analyst
        Civil Grand Jury
        Citizens Audit Review Board
        City Attorney
        Mayor
        Public Library

Impark Parking LLC, in General, Adequately Performed Operational Duties, but a Few Improvements Can Strengthen Its Operations at the Sutter Stockton Parking Garage

December 2023

SJOBERG EVASHENK
CONSULTING, INC

EXECUTIVE SUMMARY

Purpose of the Audit

As authorized by the San Francisco Administrative Code, the Office of the Controller's City Services Auditor engaged Sjoberg Evashenk Consulting, Inc., to assess whether Impark Parking LLC (Impark) complied with certain provisions in its lease agreement (lease) with the City and County of San Francisco to operate the Sutter Stockton Parking Garage (garage). The audit also assessed whether the San Francisco Municipal Transportation Agency (SFMTA) appropriately managed and oversaw the lease.

Highlights

SFMTA ensured Impark appropriately performed parking garage activities to ensure satisfactory operational and financial performance at the garage.However, SFMTA can improve its oversight of garage operations and better monitor compliance with the lease. The audit found that:

- Impark should stop invoicing for valet tickets, which is inefficient.

- SFMTA and Impark must ensure the daily reconciliation of credit card collections and deposits is accurate.

- Impark needs to improve processes associated with monthly parking.

- Impark needs to improve its reporting of manual gate lift exceptions.

- Impark needs to improve SKIDATA account access.

- A few expenses for which Impark charged SFMTA are not fully supported or formally authorized by SFMTA.

Recommendations

The report makes ten recommendations for SFMTA to ensure revenue and expenditure best practices are employed at the garage, including the following key recommendations:

- Require Impark to stop invoicing business customers for valet tickets. Instead, have the businesses pay at the time tickets are generated in SKIDATA.

- Require Impark to reconcile monthly between SKIDATA and amounts deposited into the bank.

- Require Impark to receive formal approval from SFMTA before forgiving amounts associated with monthly parking charges owed to the City and to maintain appropriate and sufficient supporting documentation.

- Require Impark to improve its monitoring of manual gate lifts, including by tracking all instances when the gate is manually lifted and/or the loop is triggered without a corresponding payment, clearly explaining exceptions, and requiring a manager to review for appropriateness.

- Ensure Impark does not permit multiple users to share a SKIDATA account. Require Impark to assign SKIDATA accounts to specific users to mitigate security risks.

- Reject expenses Impark submits for reimbursement without sufficient support or evidence of payment and consider withholding reimbursement until Impark corrects submission deficiencies.

INTRODUCTION

Audit Authority

The lease agreement (lease) for the Sutter Stockton Parking Garage (garage) between the City and County of San Francisco (City) and Impark Parking LLC (Impark) authorizes the City and its representatives to audit all accounts and records established under the lease. The San Francisco Administrative Code, Chapter 10.6-2, grants the Office of the Controller (Controller) the authority to audit departments to ensure they adequately manage their agreements for leased property. Also, the San Francisco Charter provides the Controller's City Services Auditor (CSA) with broad authority to conduct audits. This audit was conducted under these authorities and pursuant to an audit plan agreed to by the Controller and the San Francisco Municipal Transportation Agency (SFMTA). CSA engaged Sjoberg Evashenk Consulting, Inc., (SEC) to audit the lease, under which Impark operates the garage, and to assess SFMTA's management of the lease.

Background

The garage is a public parking facility located at 444 Stockton Street in San Francisco. Impark's current lease to operate the garage commenced on December 12, 2011, and was set to expire on January 31, 2021. According to SFMTA, the lease term was extended due to the COVID-19 pandemic and because additional time was needed to develop a new competitive solicitation to select a garage operator. All stakeholders agreed to the extension, including SFMTA's Board of Directors and the City's Board of Supervisors. A new lease was executed in February 2023.

In recent years, SFMTA updated nearly all 22 city-owned parking garages with new parking equipment and software to enhance the efficiency and safety of the garages. The SKIDATA system features automated parking access and revenue control processes and, according to SFMTA's website, all city-owned garages had been updated with SKIDATA equipment as of July 2021.

SFMTA manages and oversees the City's public parking garages. The City delegated authority to SFMTA to oversee the activities of the operators responsible for the daily management and operations of the garages. SFMTA is responsible for reviewing and approving garage budgets and operational expenses, inspecting the garages, and ensuring the operators adhere to the terms and provisions of their leases. The lease requires Impark to supervise and oversee the garage's operational activities and ensure revenues generated and operational expenses incurred through the garage are appropriately remitted and

reported to the City. Impark remits to the City all garage revenue, including "transient" (non-monthly) parking and monthly parking revenue, and submits to SFMTA monthly requests for reimbursement of operational expenses.

Objectives

The purpose of this audit was to determine whether Impark:

- Reported and correctly submitted to SFMTA all revenues collected from the operation of the garage;

- Calculated and correctly reported all operating expenses;

- Complied with other provisions of its lease with the City.

The audit also included evaluating whether SFMTA's contract management practices and procedures adequately ensured that Impark complied with certain lease provisions.

Scope and Methodology

The audit covered January 1, 2021, through December 31, 2022. To meet the audit objectives, the audit team:

- Reviewed the applicable terms of the lease between the City and Impark.

- Assessed Impark's internal controls and procedures over collecting, reconciling, and reporting revenues and expenditures, including day-end close-out practices associated with verification of amounts collected and preparing the daily deposit.

- For February 2021, September 2021, June 2022, and December 2022, traced "transient" (non-monthly) and monthly revenue collected to SFMTA's bank account and determined whether expenses were accurately and appropriately billed to SFMTA and were supported with sufficient documentation.

Statement of Auditing Standards

SEC conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. SEC believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

Summary

From January 1, 2021, through December 31, 2022, Impark reported to SFMTA total operating revenues of $11,011,545 and expenses of $4,207,587. Exhibit 1 summarizes the garage's revenues, expenditures, and operating income for the audit period.

Exhibit 1. Sutter Stockton Garage Operating Revenues and Expenses
January 1, 2021, Through December 31, 2022

Reporting Period	Revenues*	Expenses	Operating Income (Revenues Less Expenses)
2021	$4,690,417	$2,006,442	$2,683,975
2022	$6,321,128	$2,201,145	$4,119,983
Total	$11,011,545	$4,207,587	$6,803,958

* Reported revenues exclude parking taxes.
Source: Garage Monthly Summary Reports.

As shown in Exhibit 1, garage revenues increased from 2021 to 2022. This was due to the easing of COVID-19 restrictions and a corresponding increase in parking activity.

The audit found, in general, that Impark appropriately performed most parking garage activities in accordance with the lease, such as accurately collecting and depositing daily transient, validation, and special parking revenue and maintaining proper bonds and minimum liability insurance. However, we identified the following areas that warrant improvement:

- Impark should no longer invoice for valet tickets, which is inefficient.

- SFMTA and Impark must ensure the daily reconciliation of credit card collections and deposits is accurate.

- Impark needs to improve processes associated with monthly parking.

- Impark needs to improve its reporting of manual gate lift exceptions.

- Impark needs to improve SKIDATA account access.

- A few expenses were not fully supported or formally authorized by SFMTA.

Finding 1
                                Impark Should Stop Invoicing for Valet Tickets, Which Is Inefficient

In addition to daily parking revenue, the garage collects revenue associated with valet tickets sold to businesses and local hotels. These are tickets purchased in advance by an organization for a specific number of days. Because the business purchases these tickets in advance to hand out to customers or guests, SFMTA receives the corresponding revenue even if a ticket is not used. Impark generates invoices after the ticket is generated via SKIDATA and the corresponding payments are processed through the daily parking collection and deposit processes.

For four sample months, we traced the number of valet tickets generated per SKIDATA to invoices and deposits in the bank. Although the test of June 2022 data revealed no issues, we found several differences in the other three sample months, as reflected in Exhibit 2.

Exhibit 2. Valet Ticket Testing Results Found Differences

Month	Per Invoices	Per SKIDATA	Difference	Comments
September 2021	2,056 tickets $37,229	2,262 tickets $40,690	206 tickets $3,461	200 1-day tickets printed in error; printer malfunctioned when printing 6 tickets
November 2021	2,727 tickets $76,683	2,932 tickets $80,313	205 tickets $3,630	200 1-day tickets printed in error; 5 tickets printed for valet ticket attendants
December 2022	2,025 tickets $49,632	2,130 tickets $51,480	105 tickets $1,848	105 1-day tickets printed in error

Source: Impark Valet Invoices and SKIDATA.

Although all valet tickets in the sample months were accounted for through either paid invoices or physical tickets not used, Impark should stop creating invoices for valet tickets. Rather, it should require the businesses to pay for the valet tickets when they are generated in SKIDATA.

Eliminating invoicing will reduce the risk that Impark could inadvertently not prepare, send, or collect on invoices and, thus, reduce the risk that valet tickets could be provided without payment. Also, when payment is collected for valet tickets at the same time SKIDATA generates the tickets, the monthly SKIDATA sales figures submitted to SFMTA will align with payment collection and deposit information so that SFMTA can readily understand and compare the information when the data is reported.

According to Impark, the invoicing process was approved by SFMTA and reflected in agreements with the valet parking business that purchases many of the valet tickets.

Recommendation

The San Francisco Municipal Transportation Agency should:

1. Require Impark to stop invoicing business customers for valet tickets. Instead, have the businesses pay at the time tickets are generated in SKIDATA.

Finding 2

SFMTA and Impark Must Ensure the Daily Reconciliation of Credit Card Collections and Deposits Is Accurate

The garage's parking control and revenue collection system, SKIDATA, generates a ticket for each parker upon entry to the garage, and the ticket is collected when the parker exits the garage. The ticket is used to determine parking fees owed. SKIDATA provides the details of each ticket generated by the system, including tickets that generated revenue and tickets that did not generate revenue, such as "in and out" grace periods of less than 10 minutes, voided parking tickets, and free parking for emergency vehicles for up to 30 minutes. Parkers pay daily transient parking payments via credit card or cash directly into SKIDATA parking payment stations.

SFMTA's accounting department works with Impark to perform daily reconciliations of cash and credit card collection amounts reflected in SKIDATA and SFMTA's bank account and to investigate differences.

We tested four days in each of four sample months to determine whether all collections per SKIDATA were deposited into SFMTA's bank account. Although we verified that all cash collections were deposited into SFMTA's bank account, we found small differences between credit card collections and amounts deposited in SFMTA's bank account. These differences total $5,290, as shown in Exhibit 3.

Exhibit 3. Impark Deposited Slightly More in Credit Card Payments Into SFMTA's Bank Account Than It Collected According to SKIDATA

	February 1-4, 2021	September 13-16, 2021	June 27-30, 2022	December 12-15, 2022	Total
Credit Card Payments Collected Per SKIDATA	$5,332	$54,419	$107,697	$84,781	$252,229
Credit Card Payments Deposited in SFMTA's Bank Account	$5,332	$55,882	$106,688	$89,617	$257,519
Difference	**$0**	**$1,463**	**($1,009)**	**$4,836**	**$5,290**

Source: SKIDATA and SFMTA Bank of America statements.

According to Impark, the small differences were due to delays in credit card transactions settling through its bank; however, it could not provide documentation to adequately explain the differences.

Recommendation

The San Francisco Municipal Transportation Agency should:

2. Require SFMTA's accounting department and Impark to work together to develop processes that ensure the daily reconciliation of credit card collections and deposits is accurate and supported.

Finding 3

Impark Needs to Improve Processes Associated With Monthly Parking

In addition to serving transient parkers who pay an hourly or daily parking fee in accordance with SFMTA's approved parking rates, the garage offers parking options for a monthly fee. These options include motorcycle, carpool, evening, and regular 24-hour access, each with its own monthly fee. We found that several processes associated with monthly parking require improvement, including reconciliation of active garage passes per SKIDATA, assessment of late fees, and forgiveness of parking charges.

Impark Lacks Process to Reconcile Monthly Contract Parking Revenue

After signing a monthly parking agreement and paying an activation fee, monthly customers receive a parking access card, which is activated and tracked by SKIDATA, that grants admittance to the garage. At the same time, a corresponding customer account is established in Impark's monthly parking payment tracking system. Monthly parking payments are deposited with daily cash and credit card collections into SFMTA's bank account.

During the audit period, Impark did not have a process to reconcile the active monthly access cardholders listed in SKIDATA to amounts collected and deposited into SFMTA's bank to ensure all active SKIDATA parking access card had a corresponding payment.

To determine whether Impark collects and deposits payments on all active parking access cards, we compared SKIDATA parking access cardholder accounts active in each of three months (September 2021, June 2022, and December 2022) to amounts deposited in the bank. Although we found that all monthly parking payments were accounted for, Impark should strengthen its controls by implementing a regular reconciliation process.

According to SFMTA, garage operators are now required to perform monthly reconciliations between SKIDATA and payment information and submit documentation of the effort to SFMTA for review.

Impark Did Not Receive Formal SFMTA Approval to Forgive Monthly Charges Owed to the City and Routinely Overcharged Customers Requiring Multiple Payment Reversals

We also reviewed payment reversals processed by Impark in September 2021, June 2022, and December 2022 to understand the reasons and determine whether they were justified. We found:

- Impark charged some customers for monthly parking months after their parking access cards had been terminated. In one example, Impark blocked a customer's access card in July 2022, but continued to charge the customer $400 per month through the end of 2022, for a total of $2,000 in erroneous charges. The customer asked Impark to refund the $2,000, but Impark only refunded $1,200.

- Impark approved refunds without SFMTA approval. For example, Impark approved a $400 refund for an active customer in September 2021 without SFMTA approval. Because the parker experienced engine problems and did not park in the garage, the garage operator reversed the charges for the month.

- Impark routinely overcharged customers requiring multiple refunds. For example, some customers were charged for both a $400 regular parking space and a $90 motorcycle space, but only had a parking agreement for the motorcycle space, so had to be refunded the difference.

- Impark did not require customers to provide the required notice of 30 days before terminating their parking agreements.

According to Impark, it now asks SFMTA for approval before giving refunds to parkers.

Impark Did Not Assess Monthly Parker Late Fees

According to SFMTA's parking regulations, Section 3(b)(i), to ensure SFMTA receives monthly parking revenue in a timely manner, the garage operator must impose late charges when monthly parkers have not paid by the last day of the month. However, we found that Impark did not assess or collect any late fees and does not have a clear process to identify when late fees should be applied.

Recommendations   The San Francisco Municipal Transportation Agency should:

3. Require Impark each month to reconcile information in SKIDATA to the amounts of bank deposits to ensure Impark correctly collects the monthly parking fees due for all active parking access cards reflected in SKIDATA. A manager who is not involved in preparing the reconciliation should review and approve it and should ensure that all differences are investigated and reviewed.

4. Require Impark to receive formal approval from SFMTA before forgiving amounts associated with monthly parking charges owed to the City and to maintain appropriate and sufficient supporting documentation.

5. Ensure Impark develops an adequate process to identify and collect late payments owed by monthly parkers, as required by the parking regulations.

Finding 4   **Impark Needs to Improve Its Reporting of Manual Gate Lift Exceptions**

SKIDATA has several features to control exceptions to the normal ticketing process, such as recording on the system daily report all instances in which entry and exit gates are lifted manually. Exceptions to the process are documented in a SharePoint exception log maintained by Impark staff at the command center, a central office where garage activity is monitored remotely. Manual gate lifts can be completed remotely by command center staff or on-site at the garage by Impark or SKIDATA staff.

To determine whether Impark's process to record and review manual gate lifts works as intended, we compared the June 2022 and December 2022 SKIDATA reports and the SharePoint tracking logs and found:

- June 2022 SKIDATA report shows the gate arm was manually opened 32 times without SKIDATA issuing a parking ticket.

- December 2022 SKIDATA report shows the gate arm was manually opened 33 times without SKIDATA issuing a parking ticket.

We attempted to compare the SKIDATA manual gate lift information to tracking logs, however, Impark could not provide any logs. According to SFMTA, garage operators now must log all manual exceptions to the parking process, including manual gate lifts. Impark mentioned that its SKIDATA system was upgraded in March 2023 such that employees will be notified via email when gates are opened manually. This will help ensure that the control logs are complete and accurate.

| **Recommendation** | The San Francisco Municipal Transportation Agency should: |

6. Require Impark to improve its monitoring of manual gate lifts, including by tracking all instances when the gate is manually lifted and/or the loop is triggered without a corresponding payment, clearly explaining exceptions, and requiring a manager to review exceptions for appropriateness.

| **Finding 5** | **Impark Needs to Improve SKIDATA Account Access** |

At the direction of SFMTA, SKIDATA staff enters users into the system, which enables them to log in and perform their designated job duties. When users are programmed into the system, SKIDATA staff validates the assigned access level designations with SFMTA. Also, according to SFMTA, Impark cannot add or delete users or modify users' access levels in SKIDATA.

To determine whether access to SKIDATA is limited to current Impark employees, we compared a list of employees provided by Impark with the list of users with access to the system. We found that the SKIDATA system access list includes accounts associated with SKIDATA, SFMTA, and Impark. Of the Impark accounts, three were general accounts used by Impark employees at the command center and were not assigned to individual users. Thus, anyone using one of these general accounts could manually lift an entry or exit gate for an impermissible reason, and Impark would be unable to link this occurrence to the employee who did it and would be unable to prevent it from happening again.

Also, we found four accounts were assigned to Impark employees who were no longer with the garage. Impark has since deactivated these accounts.

| **Recommendations** | The San Francisco Municipal Transportation Agency should: |

7. Ensure Impark does not permit multiple users to share a SKIDATA account. Require Impark to assign SKIDATA accounts to specific users to mitigate security risks.

8. Ensure that accounts associated with employees no longer working for the garage be promptly deactivated from the SKIDATA system.

Finding 6

A Few Expenses for Which Impark Charged SFMTA Are Not Fully Supported or Formally Authorized by SFMTA

The lease allows Impark to seek reimbursement each month for specific operating expenses, such as those related to payroll, utilities, maintenance, supplies, and contracted services. For SFMTA to reimburse an expense, Impark must submit complete supporting documentation, including a detailed statement listing all operating expenses it has incurred since the previous invoice, copies of all invoices, receipts, or other evidence to support each listed expense, and evidence that it paid for each item. The invoiced expenditure amounts are also reflected in the monthly summary report, which is submitted by garage operators to summarize their monthly revenues and expenditures.

Our review of operating expense reimbursement requests Impark submitted to SFMTA during four sample months found that Impark submitted reimbursement requests to SFMTA that did not always include sufficient support for expenses, such as invoices from the service providers and allocation methodologies.

Exhibit 4 shows the types of expenses Impark submitted for reimbursement without sufficient support and gives examples of the expense amounts in June 2022, one of the months we reviewed. The examples in Exhibit 4 reflect approximately 8 percent of the $282,501.57 on the June 2022 invoice. This occurred although SFMTA approved each reimbursement request package we tested.

Exhibit 4. Types of Support Impark Provided for Reimbursement Request and June 2022 Examples of Monthly Expense Amounts

Expense Type	Support Included in Reimbursement Request	June 2022 Amount
Union Benefits	Impark-prepared spreadsheets	$21,550
Employee Medical, Dental, and Accidental Death and Dismemberment Insurance	Photos of parts of an Impark-prepared spreadsheet	$333
Bank of America Fees	Impark-prepared invoices	$667
Total		**$22,550**

Source: Impark submitted expense reimbursement requests.

Further, we found that Impark's reimbursement requests did not generally include evidence that Impark had paid the expenses before requesting reimbursement from SFMTA, which is required by the parking regulations, Section 6.10(a). In fact, several reimbursement request packages Impark submitted to SFMTA include utility bills that show past-due amounts,

indicating that Impark was behind in paying these bills although SFMTA had already reimbursed Impark for the utility charges it incurred in preceding months. According to Impark, this occurred because it fell behind on processing and paying some bills due to a lack of staff during the pandemic.

Last, Impark included in its reimbursement requests several fees without evidence that SFMTA had agreed to pay these charges. Impark could not provide supporting documentation or the related calculation for the payroll processing fee charges. Exhibit 5 reflects the fees Impark charged without formal SFMTA authorization and provides an example of the monthly charges resulting from the fees.

Exhibit 5. Impark's Monthly Fee Charges to SFMTA Without Formal Authorization by SFMTA and Examples of Monthly Expense Amounts

Fee	Description	December 2022 Fee Amounts
Payroll Processing Fee	None	$365
Business Insurance Fee	1.64 percent per 1,865 parking stalls	$3,059

Source: Impark submitted expense reimbursement requests.

SFMTA indicated that approved business insurance fees have been negotiated and incorporated in the new 2023 lease agreement with Impark.

Recommendations

The San Francisco Municipal Transportation Agency should:

9. Reject expenses Impark submits for reimbursement without sufficient support or evidence of payment and consider withholding reimbursement until Impark corrects submission deficiencies.

10. Include in the lease agreement all fees Impark may charge SFMTA.

ATTACHMENT A: SFMTA RESPONSE

London Breed, Mayor

Amanda Eaken, Chair
Stephanie Cajina, Vice Chair
Steve Heminger, Director

Dominica Henderson, Director
Fiona Hinze, Director
Lydia So, Director

Jeffrey Tumlin, Director of Transportation

January 24, 2024

Mark de la Rosa
Director of Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Audit Responses, Sutter Stockton and Ellis O'Farrell Parking Garages

Dear Mr. De la Rosa:

We have reviewed the above-named audits and completed the attached Recommendation and Response Forms. I would like to thank you and your audit team for the work conducted during these important audits.

If you have any questions, please call me at (415) 646-2522 or Kathleen Sakelaris at (415) 706-1836.

Sincerely,

Jeffrey Tumlin
Director of Transportation

San Francisco Municipal Transportation Agency   1 South Van Ness Avenue, 7th Floor   San Francisco, CA 94103   SFMTA.com

311 Free language assistance / 免費語言協助 / Ayuda gratis con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuite / 無料の言語支援 / Libreng tulong para sa wikang Filipino / 무료 언어 지원 / การช่วยเหลือทางด้านภาษาโดยไม่เสียค่าใช้จ่าย / خط المساعدة المجاني على الرقم

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Recommendations and Responses

For each recommendation, the responsible agency should indicate in the column labeled *Agency Response* whether it concurs, does not concur, or partially concurs and provide a brief explanation. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Agency Response	CSA Use Only Status Determination*
The San Francisco Municipal Transportation Agency should:		
1. Require Impark to stop invoicing business customers for valet tickets. Instead, have the businesses pay at the time tickets are generated in SKIDATA.	☐ Concur ☐ Do Not Concur ☒ Partially Concur SFMTA concurs that the ideal practice is to require payment up front for validation tickets. At Sutter Stockton Garage, however, one large local hotel has a long-standing program of significant validation usage for which SFMTA has approved an invoicing process because of the detailed logistics of the program. Looking forward, SFMTA is pursuing a software upgrade that will facilitate development of an updated process with the hotel that will make the validation program more efficient and will eliminate the need for invoicing, to be implemented by 9/30/2024.	☒ Open ☐ Closed ☐ Contested
2. Require SFMTA's accounting department and Impark to work together to develop processes that ensure the daily reconciliation of credit card collections and deposits is accurate and supported.	☒ Concur ☐ Do Not Concur ☐ Partially Concur SFMTA and Impark are actively working to enhance and document related procedures. Updated procedures will be finalized by 3/31/2024.	☒ Open ☐ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Recommendation	Agency Response	CSA Use Only Status Determination*
3. Require Impark each month to reconcile information in SKIDATA to the amounts of bank deposits to ensure Impark correctly collects the monthly parking fees due for all active parking access cards reflected in SKIDATA. A manager who is not involved in preparing the reconciliation should review and approve it and should ensure that all differences are investigated and reviewed.	☒ Concur ☐ Do Not Concur ☐ Partially Concur In process. Action taken by Impark as of 12/1/2023 to develop a report reconciling monthly parking revenues collected with monthly parking key car audits—report will be available as part of the regular monthly invoice packet submission as of 3/1/2024.	☒ Open ☐ Closed ☐ Contested
4. Require Impark to receive formal approval from SFMTA before forgiving amounts associated with monthly parking charges owed to the City and to maintain appropriate and sufficient supporting documentation.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. As of 2/1/2023, SFMTA has advised Impark that all refunds to monthly parkers will require supporting documentation approved in advance by SFMTA.	☐ Open ☒ Closed ☐ Contested
5. Ensure Impark develops an adequate process to identify and collect late payments owed by monthly parkers, as required by the parking regulations.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. As of 3/1/2023, SFMTA reconfirmed with Impark that late fees are to be charged pursuant to contract terms in all cases unless Impark presents to SFMTA a request, in writing, to waive late fees for a specific customer and receives SFMTA's written approval.	☐ Open ☒ Closed ☐ Contested
6. Require Impark to improve its monitoring of manual gate lifts, including by tracking all instances when the gate is manually lifted and/or the loop is triggered without a corresponding payment, clearly explaining exceptions, and requiring a manager to review exceptions for appropriateness.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. Actions taken as of 9/1/2023 included implementation of an online gate-lift log that is reviewed and certified monthly by Impark management.	☐ Open ☒ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Recommendation	Agency Response	CSA Use Only Status Determination*
7. Ensure Impark does not permit multiple users to share a SKIDATA account. Require Impark to assign SKIDATA accounts to specific users to mitigate security risks.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. Action taken as of 8/1/2023: SFMTA directed Impark to ensure, going forward, that all its employees are using unique log ins.	☐ Open ☒ Closed ☐ Contested
8. Ensure that accounts associated with employees no longer working for the garage be promptly deactivated from the SKIDATA system.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. As of 9/1/2023, Impark advised SFMTA that all prior employees have been purged from the system, and that all exiting employees' accounts are promptly deactivated.	☐ Open ☒ Closed ☐ Contested
9. Reject expenses Impark submits for reimbursement without sufficient support or evidence of payment and consider withholding reimbursement until Impark corrects submission deficiencies.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. In a July 2023 meeting, SFMTA advised Impark management that going forward, all unsupported expense submissions will be rejected for reimbursement.	☐ Open ☒ Closed ☐ Contested
10. Include in the lease agreement all fees Impark may charge SFMTA.	☒ Concur ☐ Do Not Concur ☐ Partially Concur Recommendation implemented. Action taken under the updated management agreement that went into effect 2/1/2023. Specifically, per the agreement, "Manager (Impark) shall be entitled to reimbursement from SFMTA for all Operating Expenses properly incurred and paid by Manager...as specified in the approved annual operating budget identified were addressed in the updated contract format that went into effect on 2/1/2023."	☐ Open ☒ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

ATTACHMENT B: IMPARK PARKING LLC RESPONSE

iP

impark

February 2, 2024

Mark de la Rosa
Director of Audits
Office of the Controller
City and County of San Francisco

Subject: IMPERIAL PARKING LLC, Sutter Stockton Garage Audit

Dear Mr. de la Rosa,

Thank you for your time and we appreciate the efforts spent by The City's service auditor staff in this audit of our operations at the Sutter Stockton Garage. We have reviewed the draft report, and we concur with all the recommendations and findings listed within the executive summary and will make the improvements are made, especially regarding the highlighted points in the audit.

- We will have a more rigid process to ensure the validation fees are collected in advance to reduce or ultimately eliminate variances.
- We will ensure that both daily and monthly reconciliations between Ski Data and the money deposited in the bank match.
- We will make sure that the monthly parking late fee collection process is enforced. Should we find ourselves in a situation where we cannot collect past due balances, and/or we need to waive the fees, we will seek approval from SFMTA before taking any actions.
- We will strengthen the process that we use to keep track of manual gate lifts and review them regularly to make sure that our log is accurate and that there is a sufficient explanation.
- We will make sure that only employees assigned to any facility have access to the Ski Data PARCs system onsite. Should there be any change in staffing which removes an employee's association with the facility, we will ensure their access is disabled immediately.
- Lastly, operational expenses will have sufficient back ups or documentation. Some items mentioned have already been addressed with SFMTA.

Overall, we strive to not only maintain standards set forth to operating any SFMTA facility, but with appropriateness, we would like to excel beyond.

Sincerely,

Francisco J. Lira

Francisco J. Lira
Operations Manager
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