



Fiscal Audit

OFFICE OF MANAGEMENT AND BUDGET

**SOUTH SIDE PARKING ENHANCEMENT DISTRICT TRUST
FUND**

Report by the
Office of City Controller

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July 2022

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CITY OF PITTSBURGH
OFFICE OF THE CITY CONTROLLER
Controller Michael E. Lamb

July 2023

To the Honorable Mayor Edward Gainey and
Honorable Members of Pittsburgh City Council:

The Office of the City Controller is pleased to present this fiscal audit of the SOUTH SIDE PARKING ENHANCEMENT DISTRICT TRUST FUND, conducted pursuant to the power of the Controller under Section 404(b) of the Pittsburgh Home Rule Charter.

EXECUTIVE SUMMARY

The South Side Flats neighborhood of Pittsburgh was established as a "parking enhancement district" via Resolution 776 of 2016, while §546.06 categorizes this area also as a "pilot program"—the first of its kind specific to enhancement districts in the City. City Ordinance §546.02 defines the term "parking enhancement district" as follows:

"A parking zone that has been approved under the processes provided in this legislation to have collection hours extended past 6:00 p.m. in the form of dynamic hours; to have dynamic pricing instituted during all parking hours, and to have the revenue generated from parking collection after the hours of 6:00 p.m. dedicated to funding nighttime business area enhancements within the parking zone."

As noted above, the South Side Flats Parking Enhancement District is subject to both dynamic pricing and hours, which simply means that the price and/or hours of meter collection can change based on economic demand. Both the hours of operation and the price of parking time is determined by the City's Director of Finance. During the scope of our audit, covering January 1, 2018, through December 31, 2020, the dynamic pricing rate was \$1.50 per hour of parking time and the dynamic hours were between 6:00 p.m. and 12:00 midnight, Fridays and Saturdays.

To manage the money flow from the District, a trust fund, named above, was established via Resolution 777 of 2016, which initially gave the Department of Public Safety the authority of the fund. In 2018, Resolution 131, which is also the controlling resolution as of this report, changed authority of the trust fund to the Office of Management and Budget. The resolution also allows four City entities utilization of the trust fund monies to support the operations of the District. Our procedures tested a sample of the expenditures from the only two departments (i.e., the Department of Public Safety and the Department of Public Works) connected to activity within the trust fund

and also a sample of expenses deducted by the Pittsburgh Parking Authority (PPA) prior to the transfer of revenue to the City. We did not find any significant material deficiencies among these.

On the other hand, we did identify some concerns while assessing the documentation of revenue, which comes from a single source: meter collection within the South Side Flats Parking Enhancement District. All revenue is collected by PPA, and PPA provides an *Annual Spreadsheet* detailing the revenue accrued from the District each year. This spreadsheet details expenses incurred from the operation of enforcement officers in the District and the daily totals collected each day of the prior year.

We had three primary concerns specific to revenue: **(1)** PPA was unable to recreate annual or daily reports of revenue to support the totals previously transferred to the City. We were advised by PPA administrators that its reporting system, Flowbird, was unable to capture historical data in the same fashion that active—or current data—is captured due to the time it can take for certain types of transactions to fully settle. PPA’s reporting and reconciliation process does not seem to account for all types of transactions. **(2)** We also received inconsistent reports listing the meters in the District. A report we received at the beginning of our audit was meant to include all meters in the District; however, subsequent reports we received during our fieldwork listed meters that were not identified in the original report. **(3)** Finally, we noted that some credit card transaction costs did not align with the dynamic pricing strategy of \$1.50 per hour, as communicated by the City’s Director of Finance.

It is important to note that PPA was unable to provide any further documentation or support justifying the differences between the original reports given to the City and the new reports generated during our audit. Therefore, our concern is that documentation available does not sufficiently account for the accuracy of the revenue totals reported to the City. For additional details, please refer to the [FUNDING SOURCES](#) and [FINDINGS AND RECOMMENDATIONS](#) portions of this report.

We appreciate the cooperation, patience, and support of the staff we coordinated with during the course of our audit.

Sincerely,

A handwritten signature in black ink that reads "Michael Lamb". The signature is written in a cursive, flowing style.

Michael E. Lamb
City Controller

INTRODUCTION

This fiscal audit of the **South Side Parking Enhancement District Trust Fund (SSPEDTF)** was conducted pursuant to the Controller's powers under Article IV, Section 404(b) of the Pittsburgh Home Rule Charter.

SCOPE AND METHODOLOGY

The scope of our audit covered the period of **January 1, 2018, to December 31, 2020.**

The objective of this audit was to determine whether or not procedures and internal controls relating to the administration of the trust fund were adequate during examined period of time. In order to achieve this objective, we performed the following procedures:

- Summarized streams of revenues and expenditures.
- Performed variance analysis on the flows of revenues and expenditures.
- Reviewed ordinances and resolutions connected to the creation of the trust fund and the operation of the pilot program and “parking enhancement district,” which we will define in this report.
- Reviewed the original and revised versions of Contracts 52677 and 53097, which are connected to clean-up services rendered in the South Side Flats.
- Reviewed the cooperation agreement (co-op) between the City and PPA.
- Reviewed the 2015 *American Federal State, County, and Municipal Employees* (AFSCME) agreement and tested samples of employee hours charged to District monies.
- Identified City departments and authorities connected to deposits and expenditures documented in JD Edwards (JDE).
- Interviewed administrators with the Office of Management and Budget (OMB) and the Pittsburgh Parking Authority (PPA).
- Reviewed the PPA's coin collection and reconciliation procedures.
- Physically inspected meters located in the South Side Flats to determine current pricing settings.

BACKGROUND

The South Side Flats is a three-mile strip of Pittsburgh neighborhood located south of the City's Downtown area and on the southern side of the Monongahela River. It is quarter to the largest concentration of the City's 19th century homes, adorned of Victorian architecture, and a significant portion of the City's nightlife. In fact, the abundance of bars located in the area has given it grounds for locals to refer to it as the "bar crawl neighborhood" of Pittsburgh, and the nightlife of the area is further enriched by a variety of entertainment venues and restaurants as well.

The SSPEDTF is associated with parking locations in the South Side Flats. The overall parking zone of that area is referred to as a "parking enhancement district." In accordance with City Ordinances §546.01 and §546.02(e), the term "parking enhancement district" refers to a City area in which the collection of parking meter revenue can be collected after 6:00 p.m. with specified pricing rates. The intent of a parking enhancement district is to generate revenue from the nighttime economy of the specified location and for that revenue to be utilized in the funding of business-area enhancements within the zone.¹

The scheduled hours of collection and also the specified pricing rates mentioned above are part of the City's "dynamic hours" and "dynamic pricing" strategies. Dynamic pricing, in short, simply means that pricing can be adjusted. The objective is to allow pricing to change in reaction to the demand of a specific product—in this case parking. The same principle applies to dynamic hours as the scheduled time of collection determines when dynamic pricing can be in effect. Per §545.05(c), the Director of Finance is authorized to make this adjustment.²

In 2016, the South Side Flats was converted into the City's first enhancement district as part of a pilot program, per City Ordinance §546.06. When this ordinance was enacted, it was indicated that the South Side Flats Parking Enhancement District would be the sole pilot program for at least 1 year before citywide implementation would be made effective. The total implementation would only be delayed by 6 months if at least five members of City Council submit a written request to the Mayor of Pittsburgh. The written request must also detail amendments to be proposed to the legislation, otherwise the request will be deemed insufficient to prevent the citywide implementation. This ordinance was also enacted as Resolution 776 of 2016, which both establishes the South Side Flats as an enhancement district and summarizes the City Council's efforts to petition the community on its participation in the pilot program.³ The South Side Flats was, thereafter, officially operational as of March 2017.

The SSPEDTF was then established per **Resolution 777 of 2016** within the Department of Public Safety—although this was later amended to turn control of the trust fund over to OMB. This

¹ Per §546.02, the term "business area enhancements" refers to investments in the following: "City-owned and/or operated public safety resources or public safety resources contracted by the City of Pittsburgh, City-owned and/or operated public works resources or public works resources contracted by the City of Pittsburgh, or capital improvements on City-owned or City-maintained infrastructure."

² Dynamic pricing and hours have changed since the scope of our audit. According to PPA, dynamic hours were extended to include Thursdays and Sundays at a rate of \$2.00 per hour.

³ Per §546.01, the community must opt into the program.

enactment also created the boundaries of the District per the *Exhibit A map* attached to the resolution. Please refer to the outlined boundaries shown in the figure shown below.

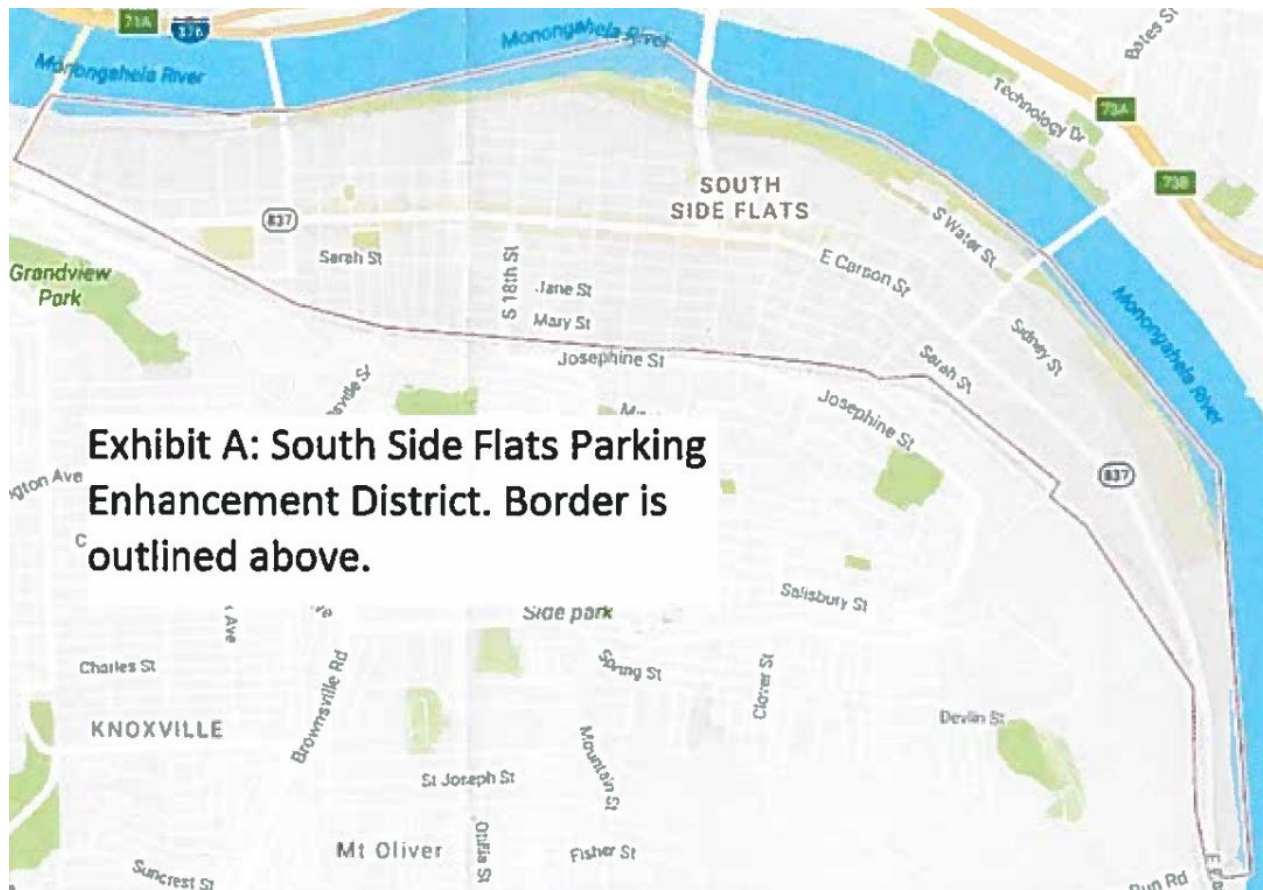


Figure 1: Exhibit A map attached to Resolution 777 of 2016.

As noted above, OMB acquired control of the trust fund in **2018** per **Resolution 131**, which is, as of this report, the controlling resolution. This resolution has two sections delineating the allowable revenue and expenditure.

The following excerpt is from Section 1 of Resolution 131, which identifies the single allowable stream of revenue (i.e., money from metered street parking) into the trust fund. This revenue stream is discussed in more detail under the [FUNDING SOURCES](#) portions of this report.

“The City Controller is hereby authorized and directed to create a trust fund entitled the ‘South Side Parking Enhancement District Trust Fund’ into which shall be deposited monies collected from metered street parking within the enhancement district during times designated by the **Director of Finance.”**

The next excerpt is from Section 2 of the same resolution. This excerpt identifies the City department responsible for the management of the trust fund and also the other entities permitted to utilize the trust fund money.

“The trust fund shall be established within the Department of Management and Budget and may only be used in the order to provide public safety resources, public works resources, needed infrastructure improvements, and parking enforcement for the South Side Flats Parking Enhancement District. Funds shall be utilized by the Department of Public Safety, the Department of Public Works, the Department of Mobility and Infrastructure, and the Pittsburgh Parking Authority.”

As noted above, five entities are authorized to utilize the trust fund, while OMB has authority of the fund’s management. We provide more information on the expenses submitted by City departments under the [EXPENDITURE OF FUNDS](#) portion of this report. Please refer to the [PPA’S EXPENSES](#) portion of the report for more information specifically on PPA expenditures.

FUNDING SOURCES

As noted in Section 1 of Resolution 131, revenue consists of “monies collected from metered street parking within the enhancement district,” and metered parking is the domain of the municipal authority PPA. The Authority collects revenue from the South Side Parking Enhancement District and also enforces the meter compliance there.

PPA submits a report—referred to in this report as PPA’s *Annual Spreadsheet*—to OMB every year. This report provides a day-by-day breakdown of the revenues and expenses accrued during the prior calendar year—in this case, specific to the South Side Parking Enhancement District. The figure below is a partial screenshot of PPA’s 2017 data for the District. This data supported the 2018 submission of revenue to the City. Per the figure, the District accumulated \$162,625.96 in revenue and PPA incurred \$28,711.45 in expenses; therefore, the amount reported to the City was \$133,914.52. This amount is also reflected in the 2018 JDE entry shown in [Table I](#) on the following page.

Date	Revenue	Expenses	Net Total / Notes	Hours
Totals:	\$162,625.96	\$28,711.45	\$133,914.52	
3/17/2017	\$1,300.41	\$188.87		12
3/18/2017	\$1,795.80	\$188.87		12
3/24/2017	\$1,800.22	\$188.87		12
3/25/2017	\$2,249.84	\$188.87		12
3/31/2017	\$1,597.37	\$188.87		12 60
4/1/2017	\$2,114.54	\$188.87		12
4/7/2017	\$1,587.02	\$188.87		12
4/8/2017	\$2,187.58	\$188.87		12
4/14/2017	\$0	\$0	Good Friday, No Enforcement or Collection	0
4/15/2017	\$1,846.32	\$0	No Enforcement	0
4/21/2017	\$1,905.92	\$188.87		12
4/22/2017	\$2,355.84	\$188.87		12
4/28/2017	\$1,717.30	\$188.87		12
4/29/2017	\$2,307.18	\$188.87		12 84
5/5/2017	\$1,799.17	\$188.87		12
5/6/2017	\$1,679.91	\$188.87		12
5/12/2017	\$1,973.52	\$188.87		12
5/13/2017	\$2,234.32	\$188.87		12
5/19/2017	\$2,176.55	\$188.87		12

Figure 2: PPA’s 2017 data spreadsheet for the South Side Parking Enhancement District showing line-by-line revenue and expenditure totals.

In the figure above, the line items are broken down by date, each line showing totals of meter revenues, expenses, and enforcement hours. Please note the following:

- In accordance with PPA, the **Revenue** column reflects all parking meter revenue (i.e., **coin, credit card, and mobile app** payments) accrued in the South Side Parking Enhancement District (see *Exhibit A map* shown in [Figure 1](#)). All meters in the District, except lots, pool into this column.
- The **Expenses** column is comprised only of salary charges for Enforcement Officers working in the district on the dates given. For more information on PPA’s expenses, please refer to the [PPA’s EXPENSES](#) portion of this report.

- The **Net Total / Notes** column reflects any notes or explanations of changes in enforcement.
- The **Hours** column reflects the total number of hours charged for Enforcement Officers.

The annual deposit of revenue is typically administered in the first or second quarter of each year. The total of all deposits made between 2018 and 2020 are summarized in **Table I**.

Table I: SSPEDTF Revenues				
For the Period January 1, 2018, to December 31, 2020				
<i>Funding Source</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>Total</i>
DAILY PARKING METERS	\$133,915	\$199,138	\$187,142	\$520,195
<i>Total</i>	<i>\$133,915</i>	<i>\$199,138</i>	<i>\$187,142</i>	<i>\$520,195</i>

EXPENDITURE OF FUNDS

As shown in the table below, there were five primary expenditure categories identified during the scope of the audit and, among the City departments named in the controlling resolution, only two of the three departments—specifically, the Department of Public Safety and the Department of Public Works (DPW)—were connected to these categories. Please note that the Department of Mobility and Infrastructure (DOMI) is named in the resolution but did not utilize the trust fund during our scope.

The five expenditure categories and the totals for each are delineated below in **Table II**. We will provide more information on these expenditure categories thereafter.

<i>Expenditure Description</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>Total</i>
CLEANING	\$26,720	\$135,124	\$84,167	\$246,011
PROTECTIVE / INVESTIGATION	\$23,397	\$0	\$0	\$23,397
OPERATIONAL SUPPLIES	\$0	\$3,548	\$6,257	\$9,804
PROFESSIONAL SERVICES	\$0	\$1,568	\$0	\$1,568
WORKFORCE TRAINING	\$0	\$5,245	\$0	\$5,245
<i>Total</i>	<i>\$50,117</i>	<i>\$145,485</i>	<i>\$90,423</i>	<i>\$286,025</i>

We did not have any material concerns with the samples connected to the expenditure items categorized above, but we will provide some details on what these entailed.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety prepared invoices either connected to resolutions and warrants, special events, or reimbursements for employee travel to trainings.

Upon researching the travel expenditures, we learned that the associated trainings were economic summits centered on planning, networking, and public safety for city districts that support nighttime economies. **Figure 3** provides a capture of the pamphlet cover for one of these events.

DPW

Over 85% of the fund's expenses during the scope of our audit was dedicated toward cleaning services—the first expenditure category listed in the table above. These restorative services were provided in the South Side Flats neighborhood as preparation for zone's conversion into an enhancement district. Resolution 550 of 2019 permitted DPW to execute a contract (i.e., [Contract 52677](#)) with



Figure 3: Sociable City Summit connected to Department of Public Safety travel expenditure made in 2019.



Figure 4: Image of Pittsburgh Downtown Partnership logo from the organization's website.

[Pittsburgh Downtown Partnership](#) for clean-up services as rendered by its Clean Team (a.k.a., “Clean Ambassadors”).

Pittsburgh Downtown Partnership is a nonprofit organization formed by professionals of the City's Downtown businesses, civic organizations, foundations, and even residents.

Its goal is to enhance the Downtown area through community and business development. The Clean Team is a facet of the organization’s initiatives, and it is tasked with the clean-up and beautification of the City’s Downtown neighborhood. According to organization’s website, the Clean Team walks approximately 12,000 miles each year as part of this ongoing effort.

As delineated in [Contract 52677](#), the services purchased by the City included the manual removal of litter, debris, graffiti, and stickers; weed control; and special projects, including painting and power washing. We noted that the contract and payments were handled by DPW, but the invoice preparation went through Public Safety. Of the invoice samples we tested, all services connected to Pittsburgh Downtown Partnership were properly documented, allowable, and within approved expense limits per the contract.

DPW also invoiced the delivery of portable toilets to the South Side Flats for the 2019 and 2020 under Operational Supplies, as shown in the table above.

PPA

This section will focus on a few specific aspects of PPA and its indirect connection to the trust fund. Relative to the scope of our audit, we will discuss a co-op agreement between the City and PPA, methods for customers to pay for parking in the South Side Flats neighborhood, and PPA's revenue and expenditure reporting.

Under **§541.09**, PPA is given the power to “exercise all powers necessary or convenient for the administration, supervision and enforcement of an efficient system of on-street parking regulation.” In this capacity, PPA manages the operation of parking meters in the District, which includes the administration of revenue collections, both physical and digital, and the monitoring and enforcement of parking compliance.

COOPERATIVE AGREEMENT BETWEEN THE CITY AND PPA

On January 1, 2015, the City entered into a cooperative agreement (co-op) with PPA pertaining to the operation and management of on-street parking meters, off-street parking garages, and lots. The agreement, which has since been amended as of September 2021, also established the rights and responsibilities of the City and PPA in regard to the revenues and expenditures accrued from the operations of PPA-managed parking locations within Pittsburgh.

The co-op indicates that PPA is to transfer revenues accrued between January 1 and December 31 of the prior year to a co-op account by March 15 of each year. There are some contractual preconditions permitted before money is then sent to the City, and one of those conditions is that PPA can first deduct from the revenue any expenses, including credit card fees, as applicable, related to the operation of the parking locations. Once expenses are deducted, the net revenue accrual is to be deposited into a co-op account. The City is then authorized to transfer those funds from the co-op to the City's general account.⁴

This co-op was provided to auditors by OMB at the onset of the audit; however, OMB indicated that the document was not, in its view, directly connected to the South Side Parking Enhancement District or the trust fund. In reviewing the language of the co-op, we confirmed that the Enhancement Districts, including that of the South Side Flats, were not discussed. Of note, this co-op, executed well before the implementation of the South Side Flats pilot program, is a broader agreement concerning PPA-managed parking locations.

PPA COLLECTION AND RECONCILIATION PROCEDURES

We asked PPA for any internal policies and procedures used in the management of the District and in the control of its collection and reconciliation of revenue. PPA indicated that it refers to the co-op for all City parking operations, although PPA also acknowledged that the co-op does not specifically reference the Enhancement District.

⁴ The co-op delineates the expectation that PPA will deduct its allowable expenses before funds are deposited into the co-op account for withdrawal by the City. The co-op does not make mention of the trust fund itself. Once the funds are transferred from the co-op account to the City's general account, OMB will request that the funds be wired from the general account to the SSPEDTF.

PPA also provided an internal procedure called *Public Parking Authority of Pittsburgh Revenue Cycle – Parking Meters Description*, and the most recent edition provided to us dated December 31, 2020. This documentation delineates procedures for coin collection, coin box tagging, and reconciliations. Therein, it describes a responsibility for “collectors” to follow an established route to collect coins from meter boxes.

PPA noted that the procedural document referenced above, in similar fashion to the co-op, is used for all parking locations, not just the South Side Parking Enhancement District.

PAYING FOR PARKING

A portion of our efforts was directed at determining what charges are applied to parking purchases in the District, how parking can be purchased, and if any restrictions are imposed on the methods available for purchasing parking time. As noted in the [FUNDING SOURCES](#) portion of this report, there were three methods for purchasing parking during the scope of our audit: **coin**, **credit card**, and **mobile app**.



Figure 5: Snapshot of kiosk screen for a meter located on East Carson Street in the South Side Flats area.

The figure shown to the left is a snapshot of a meter kiosk screen located in the South Side Flats neighborhood. This picture was taken by one of our auditors during our physical inspection of the meters in the District. In reviewing the kiosks, we were able to confirm the following:

1. Quarters are the only coin or cash that can be deposited into a meter to purchase parking.

2. Credit cards can also be inserted to pay for parking time.
3. The lowest possible time increment that can be purchased at a physical meter kiosk is 10 minutes.

4. Six 10-minute increments equal \$1.50.

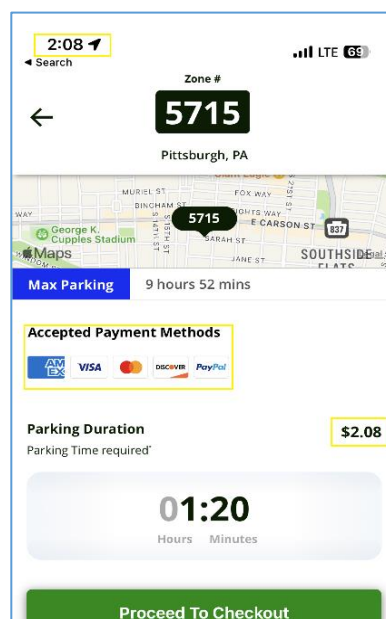
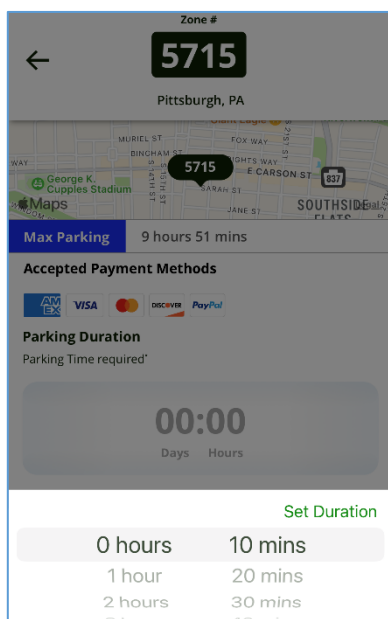


Figure 6: Two images are shown. The image furthest to the left shows the mobile app screen with credit card payment options. The image to the right shows the mobile app payment screen and the transaction amount.

There are two images shown to the left as part of **Figure 6**, which now points to the mobile app payment option. The first image furthest to the left is a screenshot of the mobile app. This screenshot confirms that mobile purchases also require a minimum of 10 minutes, and, as is the same with physical kiosks, time increments must be

purchased in 10-minute increments. The image to the right in **Figure 6** shows the payment cart of the mobile app screen.⁵ Of note, PPA indicated to auditors during an interview that mobile purchases are charged an eight-cent fee. This explains why the cart is showing \$0.08 appended to the \$2 transaction charge.

It is important to note that the co-op agreement previously discussed includes credit card fees in PPA's share of the accrued revenue; however, it does not make mention of mobile app fees. According to PPA, neither mobile nor credit card fees are payable to the City. According to PPA's reconciliation document, PPA's Accounting department is responsible for documenting and verifying the data collected from both the meters and digital accrual of card payments. This department will then reconcile the totals of this data. More information on PPA's reporting system is provided in the following [section](#) of this report.

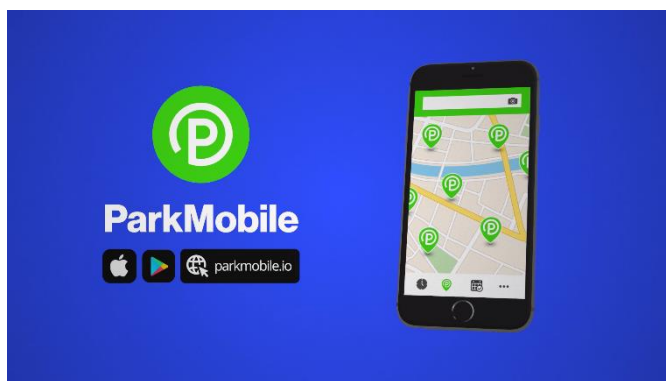


Figure 7: Image of ParkMobile logo taken from ParkMobile's official website.

Please note that several mobile apps are now available in 2023, but [ParkMobile](#) was the only mobile app provider available in the South Side Flats during the scope of our audit.⁶ The figure shown to the left is an image of ParkMobile's logo as taken directly from its official [website](#).

ParkMobile, the company, was founded in 2008 and is a software developer specializing in mobile parking solutions.

The app was designed as a means to ease the process of paying for parking, allowing customers to pay for a parking space in advance, reserve a spot for an event, or even add time to a meter without having to physically run out to the meter. The app is utilized in various large cities across the U.S.

⁵ As noted in the [INTRODUCTION TO PARKING CO-OP AND PPA PROCEDURES](#) section of the report, PPA informed auditors of an eight-cent fee that is applied to mobile app purchases.

⁶ Mobile apps that are available as of December 2022 include [Flowbird Parking](#); [ParkMobile](#); [Go Mobile PGH](#), powered also by ParkMobile; and [MeterFeeder](#).

PARKING METER REPORTING SYSTEM AND PROCESS



Figure 8: Picture of Kiosk 5717 in the South Side Parking Enhancement District.

3/17/2017	\$1,300.41
3/18/2017	\$1,795.80
3/24/2017	\$1,800.22
3/25/2017	\$2,249.84
3/31/2017	\$1,597.37

Figure 9: Snapshot of first several rows of the 2017 Annual Spreadsheet. See Figure 3 for a larger picture.

In 2023, the subsidiary company Cale America, Inc. was selected by the PPA to upgrade its parking meter system, introducing a pay-by-license-plate technology. The technology framework used by PPA during the scope of the audit is called **Flowbird**, a parent company and management system born from the merger of Parkeon and Cale.⁷

As noted in the [PAYING FOR PARKING](#) portion of this report, revenue in the District is comprised of payments from **coin**, **credit card**, and **mobile app**. In accordance with PPA, the Flowbird management system, which tracks all revenue, is able to break down these different forms of payments in detail; however, the *Annual Spreadsheets* provided to the City upon deposit of parking meter revenue only provide single-day and annual totals. Therefore, each dated line of the spreadsheet represents the total of all coin, credit card, and mobile purchases respectively.

For more information on additional PPA reports that provide further breakdown of these line items, please refer to the [PPA REPORTS](#) section of this audit report.

⁷ Parkeon is a parking and transportation vendor. It and Cale America are now integrated into the parent company Flowbird.

PPA'S EXPENSES

When we first met with PPA on August 3, 2022, the Authority advised us that expenses, as reflected in the Expenses column of its *Annual Spreadsheet* (see [Figure 2](#)), come only from staffing Enforcement Officers in the district. The rates charged are based on an annualized pay rate as described in the AFSCME agreement of 2015. This agreement breaks down standard

Job Classifications - Full Time	First pay period following ratification 9-19-16 to 10-2-16	Annualized Pay Rate Effective Date		
		1/1/2018	1/1/2019	1/1/2020
Parking Enforcement Officer (FT)	\$37,541.92	\$38,581.92	\$39,621.92	\$40,141.92
Collector/Maintenance Laborer/Repair Tech (New)	\$39,752.96	\$40,792.96	\$41,832.96	\$42,352.96
Meter Repair Technician (Old)	\$43,738.24	\$44,778.24	\$45,818.24	\$46,338.24
Job Classifications - Full Time	First pay period following ratification 9-19-16 to 10-2-16	Hourly Pay Rate Effective Date		
1/1/2018	1/1/2019	1/1/2020		
Parking Enforcement Officer (FT)	\$18.049	\$18.549	\$19.049	\$19.299
Collector/Maintenance/Repair Tech	\$19.112	\$19.612	\$20.112	\$20.362
Meter Repair Technician (Old)	\$21.028	\$21.528	\$22.028	\$22.278
Job Classifications - Part Time	First pay period following ratification 9-19-16 to 10-2-16	1/1/2018	1/1/2019	1/1/2020
Clerk Typist 2 (PT)	\$18.273	\$18.773	\$19.273	\$19.523
Facility Maintenance Laborer (PT)	\$19.112	\$19.612	\$20.112	\$20.362
Part Time Parking Enforcement Officers with less than 2 years continuous service	\$15.739	\$16.239	\$16.739	\$16.989
with 2 or more years of continuous service	\$16.878	\$17.378	\$17.878	\$18.128

Figure 10: Annualized Pay Rate chart from AFSCME Agreement, page 49.

operation for 8 months in 2017, which is when the pilot program began. Our testing pool comprised 102 total samples: 34 days from 2017, 32 days from 2018, and 36 days from 2019. Our objective was to determine if the calculations of expenses provided on PPA's *Annual Spreadsheet* were correct based on the hours reported and their connection with the AFSCME.

We did not have any significant material concerns with the samples connected to these expenditure items.

hourly wages for Parking Enforcement Officers at full-time, part-time, and overtime rates.

The figure shown is a snapshot of the pay chart from the agreement.

To determine the amount that would be billed for enforcement hours, the number of hours worked would be multiplied by the associated annualized pay rate from the chart shown. For example, 12 hours at an hourly rate of \$15.739 for a part-time Enforcement Officer with less than 2 continuous years of service equals \$188.87 [12 x \$15.739 = \$188.87].

In testing PPA's expenses, we sampled 4 months from each year of our scope, noting that the District was only in

AUDIT PROCEDURES

To provide reasonable assurance of the statements provided in audit reports, the Controller’s Office will gather and review materials from the entities involved; legislative resolution(s); and, if applicable, City ordinance. Research, documentation, and testing is administered, as necessary, to assess the accuracy of the financial statements made by the department(s) managing the trust fund.

PPA REPORTS

We asked PPA to generate reports from its Flowbird system to show the breakdown of the payment types. Part of our analysis would involve a comparison of these reports to the *Annual Spreadsheets* provided to the City in prior years. We received three different styles of revenue reports, some providing these breakdowns for an entire year and others breaking them down by single days. This section will provide some information on three of the specific reports we received. Those reports are as follows: (1) the *PED Audit Numbers* report provides only a summative value of all collections for 2018 and 2019; (2) the *Southside Audit Breakdown* report also provides a summative value but breaks it out into subtotals for coin, credit card, and mobile app purchases; and (3) the *Purchases* report is a single-day report that provides a line-by-line breakdown of transactions within a single day.

PED AUDIT NUMBERS REPORT

SOUTHSIDE PED AUDIT NUMBERS						
2018						103,323.62 + 108,706.89 = 212,030.51
Friday						
18:00	19:00	20:00	21:00	22:00	23:00	Total
\$ 34,749.55	\$ 29,072.84	\$ 18,277.77	\$ 13,287.16	\$ 6,417.86	\$ 1,518.44	\$ 103,323.62
Saturday						
18:00	19:00	20:00	21:00	22:00	23:00	Total
\$ 36,297.04	\$ 29,417.57	\$ 20,198.46	\$ 13,730.01	\$ 7,297.43	\$ 1,766.38	\$ 108,706.89
2019						101,307.12 + 104,132.40 = 205,439.52
Friday						
18:00	19:00	20:00	21:00	22:00	23:00	Total
\$ 36,113.41	\$ 28,482.16	\$ 17,502.17	\$ 11,900.63	\$ 5,937.90	\$ 1,370.85	\$ 101,307.12
Saturday						
18:00	19:00	20:00	21:00	22:00	23:00	Total
\$ 35,834.99	\$ 28,251.24	\$ 18,841.22	\$ 12,652.13	\$ 6,863.42	\$ 1,689.40	\$ 104,132.40

Figure 11: Snapshot of PED Audit Numbers report. The numbers in the Totals columns reflect the sum of hours from Fridays and Saturdays of both years shown, 2018 and 2019. The numbers in red have been added to show the totals for each module respectively.

This report provides hourly data totals—not broken down by payment type—for 2018 and 2019. The sum of the Totals columns for both years respectively should indicate the annual total of revenue.

The totals of these data modules match the 2018 and 2019 totals provided on the *Southside Audit Breakdown* reports shown below. However, we did immediately observe that these reports do not match the information previously given to the City. For more information, please see [Finding #1](#).

SOUTHSIDE AUDIT BREAKDOWN REPORT

After receiving the *PED Audit Numbers* report, we asked if the same data could be separated out into subtotals of coin, credit card, and mobile payments. In response, PPA provided us with the *Southside Audit Breakdown* report. Snapshots of the 2017 – 2019 breakdowns are provided below.

SOUTHSIDE																											
2017				18				19				20				21				22				23			
Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat					
Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total				
\$ 1,928.00	\$ 16,942.05	\$ 7,213.75	\$ 26,074.80	\$ 1,138.75	\$ 11,759.81	\$ 5,554.75	\$ 20,833.31	\$ 1,101.75	\$ 8,550.85	\$ 3,654.25	\$ 13,310.85	\$ 835.00	\$ 6,405.21	\$ 2,727.25	\$ 9,967.46	\$ 85.00	\$ 3,086.04	\$ 1,390.50	\$ 5,061.54	\$ 258.25	\$ 631.59	\$ 309.00	\$ 1,340.84				
Total				Total				Total				Total				Total				Total							
\$ 2,883.50	\$ 19,022.54	\$ 6,889.75	\$ 28,125.79	\$ 1,704.00	\$ 11,491.98	\$ 6,622.00	\$ 22,817.98	\$ 1,132.00	\$ 9,650.44	\$ 7,784.50	\$ 14,578.94	\$ 893.25	\$ 7,105.12	\$ 2,769.75	\$ 10,768.12	\$ 894.50	\$ 3,624.48	\$ 1,320.50	\$ 5,605.48	\$ 283.25	\$ 712.55	\$ 310.75	\$ 1,326.55				
Total				Total				Total				Total				Total				Total							

Summary				
	Coin	Card	Mobile Payment	Total
Fri	\$ 6,217.75	\$ 49,377.55	\$ 20,813.50	\$ 76,408.80
Sat	\$ 6,950.50	\$ 55,637.11	\$ 20,649.25	\$ 83,236.86

Figure 12: Southside Audit Breakdown report from 2017 report tab.

SOUTHSIDE																											
2018				18				19				20				21				22				23			
Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat					
Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total				
\$ 2,109.00	\$ 22,271.05	\$ 11,369.50	\$ 34,749.55	\$ 1,722.25	\$ 17,573.59	\$ 9,777.00	\$ 29,072.84	\$ 1,317.00	\$ 20,917.02	\$ 6,023.75	\$ 18,777.77	\$ 1,114.50	\$ 7,979.16	\$ 4,109.50	\$ 12,387.16	\$ 710.75	\$ 3,718.36	\$ 1,988.75	\$ 6,417.86	\$ 259.25	\$ 804.19	\$ 455.00	\$ 1,518.44				
Total				Total				Total				Total				Total				Total							
\$ 2,138.00	\$ 22,849.79	\$ 11,129.25	\$ 36,297.04	\$ 1,909.50	\$ 18,467.32	\$ 9,040.75	\$ 29,417.57	\$ 1,310.00	\$ 12,695.21	\$ 6,193.25	\$ 20,198.46	\$ 1,091.50	\$ 8,418.51	\$ 4,220.00	\$ 13,730.01	\$ 794.50	\$ 4,289.43	\$ 2,113.50	\$ 7,297.43	\$ 302.50	\$ 979.63	\$ 484.25	\$ 1,766.38				
Total				Total				Total				Total				Total				Total							

Summary				
	Coin	Card	Mobile Payment	Total
Fri	\$ 7,232.75	\$ 62,277.37	\$ 33,813.50	\$ 103,323.62
Sat	\$ 7,726.00	\$ 67,699.89	\$ 33,281.00	\$ 108,706.89

Figure 13: Southside Audit Breakdown report from 2018 tab.

SOUTHSIDE																											
2019				18				19				20				21				22				23			
Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat		Fri		Sat					
Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total	Coin	Card	Mobile Payment	Total				
\$ 1,725.50	\$ 19,254.41	\$ 15,133.50	\$ 36,113.41	\$ 1,389.50	\$ 15,311.91	\$ 11,780.75	\$ 28,482.16	\$ 988.25	\$ 9,326.17	\$ 7,187.75	\$ 17,502.17	\$ 821.25	\$ 6,401.88	\$ 4,677.50	\$ 11,900.63	\$ 507.50	\$ 3,131.65	\$ 2,288.75	\$ 5,937.90	\$ 206.75	\$ 651.35	\$ 512.75	\$ 1,370.85				
Total				Total				Total				Total				Total				Total							
\$ 2,008.00	\$ 20,928.99	\$ 12,898.00	\$ 35,834.99	\$ 1,414.00	\$ 16,104.99	\$ 10,732.25	\$ 28,251.24	\$ 1,176.75	\$ 10,447.47	\$ 7,217.00	\$ 18,841.22	\$ 794.00	\$ 7,286.38	\$ 4,571.75	\$ 12,652.13	\$ 634.00	\$ 3,788.92	\$ 2,460.50	\$ 6,863.42	\$ 228.00	\$ 847.15	\$ 614.25	\$ 1,689.40				
Total				Total				Total				Total				Total				Total							

Summary				
	Coin	Card	Mobile Payment	Total
Fri	\$ 5,638.75	\$ 54,077.37	\$ 41,591.00	\$ 101,307.12
Sat	\$ 6,254.75	\$ 59,383.90	\$ 38,493.75	\$ 104,132.40

Figure 14: Southside Audit Breakdown report from 2019 tab.

These reports provide a total of all revenue for each year, broken down into subtotals of coin, credit card, and mobile app purchases. This report came in the form of an Excel spreadsheet

containing hourly subtotals of each payment type.⁸ These hourly increments are labeled in military time with “18,” furthest on the left of the report, representing the 6:00 p.m.-hour and “23,” at the far right, representing the 11:00 p.m.-hour.

The figures above capture the 2017, 2018, and 2019 tabs of this spreadsheet. The summary boxes have been enhanced for better visibility. The sum of the “Fri” and “Sat” totals equals the total revenue accrued for the entire year for each tab respectively. Therefore, this report indicates that the 2017 revenue total was \$159,645.66 [\$76,408.80 + \$83,236.86], the 2018 revenue total was \$212,030.51 [\$103,323.62 + \$108,706.89], and the 2019 revenue total was \$205,439.52 [\$101,307.12 + \$104,132.40].

At the onset of our review of these reports, we immediately noticed that the totals for credit card payments were not divisible by \$0.25 but the totals for coin and mobile payments were.

PURCHASES REPORTS

Upon reviewing the *PED Audit Numbers* report and the *Southside Audit Breakdown* report, we determined that further analysis was needed to determine (1) why the absolute totals for the reports given were not aligned with prior reports given to the City and (2) why the credit card totals were not divisible by \$0.25 and, therefore, in line with paying-for-parking directions given by the Director of Finance.

Under normal circumstances, we would hope to verify overall data sums (i.e., aggregate reporting totals) and also day-by-day totals. In doing so, we may also dig deeper into some of the itemized transactions for further verification. However, in reviewing the two reports previously shown, we were aware of a global mismatch in present-day reporting to reports previously given to the City. Therefore, we asked for a handful of daily samples—specifically, five random days—to further verify if the discrepancy existed also at that level. The figure shown below is an excerpt from a *Purchases* report for January 5, 2018. The total report is quite long; therefore, the picture shown provides less than a handful of rows from the report.

Purchases											
Active Filter: Purchase Date Local Between 2018-01-05 6:00:00 PM, 2018-01-05 11:59:00 PM And Company In Range Pittsburgh Parking Authority, PA And Structure Node Hierarchy SOUTHSIDE											
Terminal - Terminal ID	Pay Unit - Name	Node	Purchase Date Local	Amount	Article Name	Article ID	Tariff Package - Name	Masked PAN	Transaction Reference	External ID	Code
415056-S12TH-0003	Coin	SOUTHSIDE	2018-01-05 11:46:49 PM	0.50	Article 1	1	Pgm10			26098092_38120090	*****
FBP415	Mobile Payment	SOUTHSIDE	2018-01-05 11:44:28 PM	0.50	Article 1	1	Pgm77		123780978	26098091_38120089	*****
415067-BEDSQR0001	Card	SOUTHSIDE	2018-01-05 11:41:24 PM	1.00	Article 1	1	Pgm10	448915*6924	465fabce6309bde	26098090_38120088	*****
FBP415	Mobile Payment	SOUTHSIDE	2018-01-05 11:34:31 PM	0.75	Article 1	1	Pgm75		123780863	26098088_38120087	*****
415032-ECARSN1901	Card	SOUTHSIDE	2018-01-05 11:28:37 PM	1.00	Article 1	1	Pgm10	425808*3170	25afec2715cae650	26098080_38120082	*****
415025-ECARSN1701	Card	SOUTHSIDE	2018-01-05 11:24:42 PM	1.00	Article 1	1	Pgm10	442557*6157	2806f23b450e6562	26098074_38120078	*****
415080-ECARSN2504	Card	SOUTHSIDE	2018-01-05 11:24:34 PM	1.00	Article 1	1	Pgm10	550806*2987	6a1713b208f932b3	26098073_38120077	*****
415092-SIDNEY2701	Card	SOUTHSIDE	2018-01-05 11:20:10 PM	1.00	Article 1	1	Pgm10	443040*3749	42c5abe8d586c446	26098067_38120073	*****
415067-S19TH-0001	Coin	SOUTHSIDE	2018-01-05 11:18:54 PM	0.50	Article 1	1	Pgm10			26098066_38120072	*****

Figure 15: Snapshot of Purchases report for January 5, 2018.

⁸ In this case, "hourly" refers to revenue collected between 6:00 p.m. and 12:00 a.m. on Fridays and Saturdays for the years indicated. Please also note that 2017 data falls within our scope being that this revenue was deposited in 2018.

As shown, these *Purchases* reports provide line-by-line transaction lists for specific days. Each transaction line logs the ID of the meter kiosk (i.e., Terminal ID), payment type, time of purchase, amount of purchase, and more. By default, these reports do not show transactional end times or a sum of the full-day amount of revenue earned. Therefore, we did ask PPA for reports that log both start- and end-times, and we also summed the Amount column for each sheet respectively. In addition, we isolated all unique Meter IDs from the five reports we received to create a list of all meters appearing among these reports. We identified 99 unique Meter IDs, including a mobile identifier.

METERS LISTS

On August 3, 2022, we requested documentation showing all meters in the District so that we could confirm their alignment with the boundaries established by Resolution 777 of 2016, Exhibit A map. We received a meter list and a letter dated August 17, 2022, from PPA indicating that the documentation was pulled from the "CALE (Flowbird) system."

Item 2- Supporting doc for meter breakdown
includes meter #/Rates/locations

Meter ID	Rate	Max Hours	Hours	Zone	Install Date	Location	Restrictions
415013-JANEST2002	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5737	10/1/2012	Street	
415014-JANEST2004	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5737	10/1/2012	Street	
415015-MARYST1902	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5738	10/1/2012	Street	
415016-MARYST2001	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5739	10/1/2012	Street	
415017-MARYST2002	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5740	10/1/2012	Street	
415018-ECARSN0701	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5707	10/1/2012	Street	
415019-ECARSN0801	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5708	10/1/2012	Street	
415025-ECARSN1701	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5714	9/13/2012	Street	
415026-ECARSN1702	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5715	9/13/2012	Street	
415027-ECARSN1703	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5714	9/13/2012	Street	
415028-ECARSN1704	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5715	9/13/2012	Street	
415030-ECARSN1802	\$1.50/hr	No Max	M-Thur, 8a-6p Fri-Sat, 8a-12a	5717	9/13/2012	Street	

Figure 16: Excerpt from "Item 2 - Supporting doc for meter breakdown" provided by PPA.

The excerpt shown to the left is from the first page of this document provided by PPA labeled "Item 2 – Supporting doc for meter breakdown." The intent of this report is to list all meters used in the South Side Parking Enhancement District, but it also provides additional information: the meter rates; zone; installation date; and street location, which is embedded in the Meter ID. For instance, the Terminal ID for the top line is "415013," and that kiosk is located on Janet Street.

Upon analyzing this report, we determined that there were 62 unique Meter IDs listed. We asked PPA for confirmation that this report does, in fact, list all meters connected to the revenue of the District and were advised that it does.

FINDINGS AND RECOMMENDATIONS

FINDING #1: INSUFFICIENT REPORTING CONTROLS

Various revenue reports provided by PPA during the audit did not match prior reports given to the City and/or did not match other verifiable information. There are three primary components of this Finding: (1) discrepancies in revenue reports and (2) meter listings and also (3) anomalous charge amounts with some credit card purchases. We will provide more detail for each below.

Please note that due to significant inconsistencies with revenue reporting, our procedures centered on a very limited sample of data. Because we were able to confirm that reporting discrepancies existed between the annual totals and also the limited daily samples we were given, we determined that exhaustive sample testing was not necessary. The information provided in this Finding should be addressed first. Once it is, we hope that we will be able to test a larger population of samples in the future.

As previously noted, the South Side Flats Parking Enhancement District was established as the City's first enhancement district with the intent to generate parking revenue from the nighttime economy of the area. This legislation was implemented as a pilot program in accordance with the affirmative action of City Council and the residents of the South Side Flats neighborhood. In noting this, we acknowledge, first and foremost, that this is the first operation of its kind in the City of Pittsburgh, and as with any start-up programs, some difficulties and anomalies will be encountered. However, we must also note that the administration of effective remediation steps would best benefit the overall intent of the City legislation.

DISCREPANCIES IN REVENUE REPORTS

PPA is unable to replicate prior reports and does not have any concrete documentation or explanation justifying the differences between historical reports generated now and the original reports given to the City in prior years (see [FUNDING SOURCES](#) for an example of this report). Because there is no supporting documentation or information on why these reports differ, we cannot provide any reasonable assurance that the revenue amounts given to the City are correct.

This portion of [Finding #1](#) is specific to our comparison of PPA's *Annual Spreadsheets* to the *Southside Audit Breakdown* report, *PED Audit Numbers* report, and the *Purchases* report, all introduced under the [PPA REPORTS](#) section of this audit report.

As noted there, the totals for each report given during the audit disagreed with the overall total reported to the City in prior years. The single-day totals from the five *Purchases* reports we analyzed also did not agree with the single-line totals listed on PPA's *Annual Spreadsheets*. We will look at the differences between each below.

Summary				
	Coin	Card	Mobile Payment	Total
Fri	\$ 6,217.75	\$ 49,377.55	\$ 20,813.50	\$ 76,408.80
Sat	\$ 6,950.50	\$ 55,637.11	\$ 20,649.25	\$ 83,236.86

Figure 17: Snapshot from 2017 Southside Audit Breakdown report. For a larger picture of the report, please see the Southside Audit Breakdown subsection of the header PARKING METER REPORTING SYSTEM AND PROCESS.

The 2017 data shown previously in [Figure 2](#) supports the 2018 deposit of \$133,914.52 made to the City. That spreadsheet provides a revenue total of **\$162,625.96**, before expenses. The *Southside Audit Breakdown* report we received during the audit provided a 2017 revenue total of **\$159,645.66**, [**\$76,408.80 + \$83,236.86**]. See the figure provided, which is a snapshot of the summary rows from this report.

We also made comparisons to another Flowbird report we received from PPA called *PED Audit Numbers*. A snapshot of this report is provided in the [PPA REPORTS](#) section of this audit, and, as shown in the summative calculations expressed in red text of that report, the total revenue for **2018** is **\$212,030.51** and the total revenue for **2019**, as indicated, is **\$205,439.52**.

See the figures below for snapshots of the totals from the 2018 and 2019 *Annual Spreadsheets* submitted to the City.

Date	Revenue	Expenses	Net Total / Notes
Totals:	\$216,275.11	\$17,137.23	\$199,137.89

Figure 18: Snapshot of totals row from PPA's 2018 Annual Spreadsheet.

Date	Revenue	Expenses	Net Total / Notes
Totals:	\$208,401.09	\$21,258.84	\$187,142.25

Figure 19: Snapshot of totals row from PPA's 2019 Annual Spreadsheet.

In comparing the figures above, we noted differences between the *Annual Spreadsheets* provided to the City in prior years and the Flowbird-generated reports given to us during the audit. This is true of the single-day comparisons we made as well. These differences are summarized in the tables below.

**Table III : SSPEDTF Revenue Report Discrepancies
For the Period January 1, 2018, to December 31, 2020**

Revenue Report	2018	2019	2020	Total
PPA'S ORIGINAL ANNUAL SPREADSHEET	\$162,626	\$216,275	\$208,401	\$587,302
PPA'S CURRENT REPORTS	\$159,646	\$212,031	\$205,440	\$577,116
<i>Amount of Difference Between Reports</i>	\$2,980	\$4,245	\$2,962	\$10,186

PPA informed us that these differences are a result of its reporting system, and that current-day reports that look backward utilize “historic data” while the reports used to create the *Annual Spreadsheets* used “active data.” The result of a service ticket PPA submitted to Flowbird Support indicated that some transactions can take a few days to settle, thereby resulting in differences between a present-day report and a report run for the same day at a later date. Flowbird Support’s email response also provided guidance on what different system reports were capable of and how to run single-day reports of prior dates. PPA administrators advised us that

this response did not resolve the issue, and we also verified via a screen-share meeting that the administrators were running the reports as instructed by Flowbird Support’s email and were still generating different amounts from the amounts originally reported to the City. We were, furthermore, advised that there were no reports available that provide information of what the differences between the conflicting reports are.

DISCREPANCIES IN REPORTS OF METER LISTINGS

When a list of all meters in the South Side Parking Enhancement District was requested, auditors were given conflicting meter-listing reports. Because the reports simply listing the total number of meters were inconsistent, we, again, are unable to state with any reasonable assurance that the revenue amounts reported to the City are accurate.

A meter report provided at the onset of the audit was described as listing all meters in the District, 62 in total; however, later in the audit, auditors were given *Purchases Reports*, which detailed item-by-item transactions for the District on a daily basis, and, among the reports sampled, listed 99 unique meter IDs—98 physical meters and one mobile app meter ID. We inquired with PPA on a few different occasions about the initial meter listing provided and were advised that it should contain all meters in the District. For additional details on these reports, please review the [PPA REPORTS](#) portion of this audit report.

ANOMALOUS CHARGE AMOUNTS FOR CREDIT CARDS

Pursuant to the authority vested in me by City Council through Ordinance 34 of 2014, I approve your request for the following changes in parking rates, hours, and enforcement in the South Side neighborhood pursuant to the Parking Enhancement District that has been established for the neighborhood:

1. Meter collection will extend from 6 PM to Midnight on Friday and Saturday nights and on the following holidays as long as they do not fall on a Sunday:
St. Patrick's Day (All days when observed)
The Wednesday before Thanksgiving
New Year's Eve
2. The meter rate charged during these times will be \$1.50 per hour.
3. The parking time limit restriction of two hours will be eliminated and no parking time limit restriction will take its place during any hours of meter enforcement in the neighborhood.
4. These changes will be approved and effective ~~Wednesday~~ ^{Friday}, March ~~1, 2017~~ ^{17, 2017} at 12:00 AM.

Figure 20: Excerpt from a letter from the Director of Finance sent to PPA in February 2017.

On February 8, 2017, the City’s Director of Finance issued a letter to PPA providing instructions on the dynamic hours and pricing to be effective in the South Side Flats neighborhood as of March 17, 2017. As shown in the excerpt of the letter, the dynamic hours would include Fridays and Saturdays from 6:00 p.m. to midnight and the dynamic pricing of the meters would be \$1.50 per hour.

However, when testing credit card purchases, we noted charge amounts that were not divisible by \$0.25 and also not in line with the dynamic pricing instructions described above.

Being that the lowest time increment available is 10 minutes (i.e., \$0.25), we were unable to determine what caused some sampled line items to produce charges like \$1.05, \$1.08, \$1.30, and so on. Within our limited sample, these anomalous charge amounts were evident *only* for some credit card payments. PPA was also unable to provide a verifiable reason for these occurrences but noted that its co-op with the City allows for credit fees, which the PPA is able to keep.

Of note, fees (i.e., \$0.08 per transaction) are also applied to mobile payments; however, all mobile app purchases we tested were divisible by \$0.25, implying that fees, if charged, had been removed from the revenue totals before the funds were reported to the City.

RECOMMENDATION

PPA should communicate with Flowbird Support to complete the following objectives:

- PPA needs to obtain information on the processing time for all transaction types. Because Flowbird Support noted that some transactions can take a few days to settle, PPA must be aware of what these transactions are and the maximum timeframe it can take for all transaction types to be fully processed. Reports generated in the Flowbird system should also be able to provide information on transactions that settle outside of standard processing times. Without awareness of this essential component, PPA cannot know when it is most appropriate to run, record, and reconcile system reports. Incidentally, if historical reports do not match information generated on prior dates, the reporting system should be able to indicate why.
- PPA needs to know how to run reports for specific dates in the past and generate the same data. If data is constantly in flux, it can be difficult to trace the accuracy of line-by-line transactions and certainly daily, monthly, or annual totals. Regardless, the reporting system must be able to provide the information needed consistently.
- PPA needs to know how to run meter-location reports that consistently reflect the same number of total meters available, regardless of whether or not meters are in use. Subsequently, if meters are manually turned off, reports should reflect this as well.
- PPA needs information on why certain credit card transactions do not align with the City's dynamic pricing program. If the result of these charges, which are indivisible by \$0.25, is caused by fees, PPA should determine whether or not those fees should be deposited into the trust fund.

Once the PPA obtains the information needed from the bullets above, it should specify to Flowbird Support the reporting metrics that satisfy its business needs.

Once a reliable reporting strategy is communicated, PPA should create a policy and procedure specific to the Parking Enhancement District program and communicate this

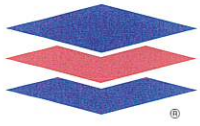
procedure with employees tasked with running Flowbird reports and also all departments involved with the program.

See the following exhibits for AUDITEE RESPONSES:

- See **Exhibit A** for response from PPA.

Please note that this report contains one Finding (i.e., Finding #1), which is comprised of three components that identify internal control deficiencies specific to the revenue reporting system. In Exhibit A, please refer to PPA's response labeled "Finding #1" in reference to the first component called [DISCREPANCIES IN REVENUE REPORTS](#), PPA's response labeled "Finding #2" in reference to the second component called [DISCREPANCIES IN REPORTS OF METER LISTINGS](#), and PPA's response labeled "Finding #3" in reference to the third component called [ANOMALOUS CHARGE AMOUNTS FOR CREDIT CARDS](#).

- See **Exhibit B** for response from OMB.



June 20, 2023

The Honorable Michael Lamb
City Controller
Office of the City Controller
414 Grant Street
Pittsburgh PA 15219

Dear Mr. Lamb

On Monday June 5, 2023, the Parking Authority met with Ajang A. Lerong (Lee) to review the findings and recommendations from the Fiscal Audit of the Southside Parking Enhancement District Trust Fund (SSPEDTF). This letter will serve as our response to the audit report and audit recommendations.

The Parking Authority appreciates that this audit acknowledges this program as the first for the City of Pittsburgh and gives the Parking Authority constructive feedback that will help us strengthen our policies and procedures related to the SSPED.

It is important to note that the scope of this audit covered the period of January 1, 2018, through December 31, 2020. Reported data is based on transactions that occurred the year before they were reported.

The Parking Authority would like to point out all meter revenue is transferred to the City based on the Cooperative agreement, including Southside Parking Enhancement District revenue, as required on an annual basis. No transaction fees charged by the meter company or the mobile payment apps are included in this calculation as they are not revenue items. The Parking Authority provides a SSPED report listing the amount of revenue collected in the SSPED, salaries of officers dispatched to enforce the SSPED, and the net revenue of the SSPED. This report is then used by the city for proper allocation to the SSOEDTF.

Finding #1

Insufficient Reporting Controls

PPA has now worked with Flowbird (Meter company) to find, use, and store data from the most appropriate report. The Parking Authority now maintains all report data to support the number submitted. In addition, we are able to reproduce the reports at any given time to create and support the PED Audit numbers.

The Parking Authority would like to take the opportunity to note that all discrepancies cited have been to the benefit of the city with the higher payment made to the City in each of the three audit years.

Finding #2

Discrepancies in Reports of Meter Listings

The initial area for the SSPED was identified as the Southside Flats, which then consisted of 62 meters. At some point the area expanded to include all of Southside, including the area known as Southside Works. This was under the direction of then On-street Parking Director, John Fournier. Currently there are 99 meters or parking apps identified with in the SSPED. As recommended, the Authority will maintain reports that reflect the accurate number of meters in the SSPED area, including those not in use or manually turned off.

Finding #3

Anomalous charge amounts for credit cards

In the parking areas audited, some have restrictions for parking that would lead to an odd amount. The meter program will only charge for the parking time that a car is permitted to park. If a car parks when there is only one hour and 7 minutes left in allowable time, the parking fee will be prorated to one hour and 7 minutes rather than one hour and 10 minutes that the citizen requested, causing an anomalous charge.

The Parking Authority is fully committed to following the recommendations of this audit and, in most cases, solutions have already been identified and implemented.

Finally, we thank you and your staff for conducting this Audit in a professional manner and for the efforts your auditors took to fully understand the many nuances and complexities associated with this program.

Sincerely,



David G. Onorato, CAPP
Executive Director



EXHIBIT B

ED GAINEY
MAYOR

JAKE PAWLAK
DIRECTOR

CITY OF PITTSBURGH
OFFICE OF MANAGEMENT & BUDGET
CITY-COUNTY BUILDING

June 21, 2023

The Honorable Michael E. Lamb
City Controller
414 Grant Street
City-County Building, First Floor
Pittsburgh, PA 15219

Dear Controller Lamb,

The Office of Management and Budget acknowledges the audit, its findings, and its recommendations. OMB will support the Pittsburgh Parking Authority to the fullest extent possible in improving the processes that impact the South Side Parking Enhancement District Trust Fund.

OMB would like to clarify that the 2015 American Federal, State, County, and Municipal Employees (AFSCME) agreement referenced throughout the audit is between the Pittsburgh Parking Authority and Local 2719. The City of Pittsburgh has a separate collective bargaining agreement with Local 2719.

We thank you and your staff for diligently completing this audit.

Sincerely,

 Digitally signed by Patrick Cornell
Date: 2023.06.21 14:15:55 -0400

Patrick Cornell
Chief Financial Officer, Office of Management and Budget

ADDENDUM

Fiscal auditing is an essential process in constructively reviewing financial operations. The process allows for the discovery of opportunities to build up and strengthen the financial functions of the City's trust funds. Fiscal auditors provide an opinion of the financial accuracy of the management of trust funds. The procedures of each audit can include but are not limited to risk assessments; legislative research and review; and testing of departmental documentation of financial records and, as necessary, policies and procedures.

The results of the Controller Office audits are kept in record and reviewed regularly. If the auditee disagrees with the recommendations made by the Office of the Controller, the auditee is advised of the responsibility for accepting the potential risks of that decision. If the auditee agrees, follow-ups are performed on any recommendations made until evidence is given showing that the identified risks are resolved. Fiscal audit reports and follow-ups can be viewed on the Controller portion of the City of Pittsburgh's website under [Fiscal Audits](#).