



# AGENDA REPORT

## City Council Meeting

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**TODAY'S DATE:** February 17, 2026

**MEETING DATE:** March 4, 2026

**TO:** Mayor Grimm, Members of the City Council

**FROM:** Jason Welker, Planning & Community Development Director

**SUBJECT:** Authorization for Mayor to Execute Contract with IPS Group, Inc. for Parking Management System Implementation

### **ACTION REQUESTED:**

Authorize the Mayor to execute a contract with IPS Group, Inc. for the purchase and implementation of a citywide paid parking management system, substantially consistent with the scope of work and operational framework described in this staff report, upon finalization of the contract and approval as to form by the City Attorney and City staff, in an amount exceeding the Mayor's \$75,000 signature authority.

### **BACKGROUND:**

On June 18, 2025, City Council adopted the Downtown Parking Management Plan, establishing a clear policy framework for managing parking as a shared public resource in Sandpoint. The Plan reflects Council's direction to improve availability and turnover in high-demand areas, prioritize access for Sandpoint and Bonner County residents, manage occupancy toward an 85% target in core areas, and implement a financially self-sustaining parking system capable of supporting long-term infrastructure needs.

The policy decisions underlying the Plan, including parking rates, pass types, and resident eligibility, were adopted by Council and incorporated into the FY 2025/26 fee schedule. This agenda item does not revisit those policy decisions. Rather, it seeks Council authorization for the Mayor to execute a contract to implement the Plan through a qualified technology and services provider.

The contract with IPS Group, Inc. is currently under final negotiation and is not attached to this agenda item. Council action at this meeting is requested to authorize execution of the contract once finalized, consistent with the scope and operational details described in this staff report.

### **RFP PROCESS:**

In November 2025, the City issued RFP No. 26-1970-1 seeking a comprehensive paid parking management system and related services. The RFP requested proposals capable of delivering not only pay stations, but also mobile payment options, time-limit enforcement tools compliant with Idaho law, citation management, permit administration, collections services, and real-time reporting capabilities.

Proposals were evaluated on technological capability, compliance with Idaho's restrictions on automated license plate recognition (ALPR) and tire chalking, financial structure, operational risk,

scalability, and the ability to provide a fully integrated solution rather than a collection of separate vendors.

Following detailed review and follow-up clarification, staff recommends IPS Group, Inc. as the City's implementation partner. IPS provides an end-to-end parking ecosystem that integrates kiosks, mobile payment platforms (ParkSmarter and Text-to-Pay), enforcement management software, permit administration, citation processing, collections services, and reporting tools within a single system. This vertically integrated approach reduces administrative complexity and long-term operational risk by avoiding the need to coordinate multiple independent vendors.

### **KIOSK-BASED ENFORCEMENT MODEL AND DECISION NOT TO DEPLOY SENSORS:**

During the RFP evaluation, staff carefully analyzed the use of per-space sensor technology, including above-ground systems such as Cleverciti and in-ground sensors. While sensor technology can provide highly granular occupancy data, it also carries significant ongoing subscription costs and introduces long-term financial exposure. Because curbside time-limit zones are structured primarily around free two-hour parking, sensor-based enforcement would generate little or no direct revenue to offset those recurring costs.

Additionally, Idaho law limits the use of automated license plate recognition and prohibits traditional tire chalking. After evaluating technical, financial, and legal considerations, staff concluded that a kiosk-based "check-in" model provides a more balanced and sustainable approach.

Under this model, drivers parking in two-hour curbside zones will check in at a kiosk or through the mobile application to register their free parking session. The system associates the license plate with a time-stamped session. Enforcement officers, using handheld devices connected to the IPS platform, can view real-time occupancy and payment data and identify overstays without chalking or ALPR. This approach ensures legal compliance, provides reliable enforcement, and avoids the recurring cost structure associated with per-space sensors.

As staff has refined the implementation strategy, there has been a slight but important pivot in how enhanced on-street time-limit enforcement will function in practice. The original concept emphasized real-time occupancy data primarily as a tool to identify and cite vehicles that overstayed the free two-hour limit. By utilizing kiosks as the enforcement backbone, the system instead introduces a more flexible approach. Parkers will still receive their free two-hour session, but those who require additional time will have the option to pay the hourly rate beyond that period rather than automatically facing a \$50, \$100, or \$150 citation.

This adjustment preserves the intent of the policy while improving the customer experience. Downtown businesses will benefit from a system that allows patrons to remain for a third or fourth hour (or additional time as needed) without fear of receiving a costly ticket, provided they pay for the additional time. At the same time, the pricing structure continues to encourage turnover along the highest-demand blocks by nudging the most price-sensitive visitors (and most downtown business employees) to utilize the relatively abundant three- and four-hour parking located just outside the core commercial zone.

It is also important to remember that the adopted pass program includes a downtown business employee pass option that provides all-day parking within the designated three- and four-hour zones. This creates a structured alternative for employees, supports predictable access to parking, and reinforces the primary policy objective of preserving the most convenient curbside spaces for short-term customer use.

### **KIOSK DEPLOYMENT AND LOCATIONS:**

Council authorization is requested for the purchase and deployment of 44 MSX Multi-Space Universal Kiosks.

These kiosks will be strategically distributed across downtown and waterfront locations to support both off-street paid parking and curbside time-limit management. Deployment will include:

- Third & Church City lot
- Bridge Street lot
- Jeff Jones Square lot
- City Beach/RV lot (including boat launch for charging of launch fees)
- Dock Street Marina lot
- Pend Oreille Bay Trail lot
- War Memorial Field boat launch (for charging of boat launch fees)
- Curbside along high-demand downtown blocks along First and Second Avenues and select east/west street (see map below).

The total quantity of 44 kiosks is calibrated to provide adequate geographic coverage while maintaining fiscal discipline.

The IPS proposal includes hardware, installation, freight, and associated management components. The year-one upfront total reflected in the quote is \$220,231, with a monthly management cost of \$1,500. IPS has confirmed readiness to proceed upon finalization of the contract and issuance of a notice to proceed.



**PARKING PASS ADMINISTRATION AND RESIDENT PASS RATES:**

One anticipated area of Council discussion concerns the annual City Resident parking pass, currently set at \$15, and the Bonner County Resident pass at \$30, both of which were adopted as part of the Parking Management Plan and FY 2025/26 fee schedule.

IPS provides integrated permit administration within its enforcement and permitting suite. This system ties permits to license plates, allows eligibility verification, integrates directly with enforcement tools, and enables real-time validation in the field. While efficient, this system carries transaction processing costs, credit card fees, software hosting expenses, and customer service overhead.

As a result, the City’s net revenue from a \$15 annual City Resident pass is marginal. The intent of the pass is not revenue generation; it is to provide a meaningful access benefit to residents while maintaining program integrity and offsetting administrative costs. A resident who uses City Beach or downtown lots even a few times annually will realize value quickly when compared to hourly parking rates.

Eliminating the fee entirely is not recommended. A zero-cost pass would increase the likelihood of over-enrollment and fraudulent claims of residency, raise administrative burdens associated with verification and compliance monitoring, and shift program costs entirely onto the City. Modest fees such as \$15 help maintain accountability and offset system administration costs, while remaining accessible and affordable.

Comparable programs throughout the region and state similarly charge modest resident fees to support administration and prevent abuse. The structure adopted by Council reflects this balance.

**IMPLEMENTATION TIMELINE:**

Upon Council authorization, the City will finalize the contract with IPS Group, Inc. and, following execution by the Mayor, issue a notice to proceed. Equipment delivery is anticipated in April 2026, with installation and system configuration occurring in spring 2026. Public education and outreach will occur prior to launch, with operational implementation targeted for early summer 2026.

**CONCLUSION:**

Council authorization of the Mayor to execute a contract consistent with this staff report enables staff to implement the Parking Management Plan previously adopted by Council. The IPS system provides a comprehensive, legally compliant, and financially responsible approach to managing downtown and waterfront parking. It reduces long-term operational risk, integrates enforcement and permit management, supports resident access priorities, and establishes the infrastructure necessary for a self-sustaining parking program.

Staff recommends approval.

**ACTION:**

Authorize the Mayor to execute a contract with IPS Group, Inc. for parking management system implementation, substantially consistent with the scope of work described in this staff report, upon finalization of the contract and approval as to form by the City Attorney and City staff.

**WILL THERE BE ANY FINANCIAL IMPACT? Y HAS THIS ITEM BEEN BUDGETED N?**

**ATTACHMENTS:**

- 2025 Parking Management Plan
- IPS quote (42 kiosks, to be updated for current need for 44 kiosks)