



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Toronto Parking Authority

2015 OPERATING BUDGET OVERVIEW

The Toronto Parking Authority (TPA) exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system. It also manages the Bike Share Program.

2015 Budget Highlights

The total cost to deliver this service in 2015 is 81.984 million that will generate revenue of \$134.229 million, as shown below.

(in \$000's)	2014 Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	76,106.0	81,983.8	5,877.8	7.7%
Gross Revenues	138,435.8	134,229.4	(4,206.4)	(3.0%)
Net Expenditures	(62,329.8)	(52,245.7)	(10,084.1)	16.2%

Moving into this year budget, Toronto Parking Authority was facing a net pressure of \$9.204 million, due to inflationary cost increases, as well as a loss of parking revenues. Through on-going operational efficiencies and increased revenue from managed lots, Toronto Parking Authority was able to partially offset initial gross pressure to \$7.568 million net, reflecting a 12.1% net increase. The remaining pressure of \$2.517 million or 4.1% will fund enhanced mobile phone payment program and signage, and pay and display machine refurbishment.

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Fast Facts

- 22,800 off-street spaces in over 200 facilities.
- 19,500 on-street spaces.
- Over 17,000 spaces operated for third parties, including TTC and Parks, Forestry and Recreation and TCHC.
- The Bike Share system fleet has approximately 1,000 bicycles and 80 docking stations

Trends

- 2010 through 2013 have seen increase in net income per space for both **off-street** and **on-street** parking.
- Since 2014 net income per space in both services is on a downward trend, as parking revenues are on decline, mainly due to on-going road construction activities and other road uses, as well as closures of certain carparks.

Our Service Deliverables for 2015

The 2015 Operating Budget for Toronto Parking Authority of \$81.984 million gross provides funding for:

On-Street Parking:

- Managing an estimated 19,500 on-street spaces controlled by pay-and-display machines and meters.
- Continuing to improve customer service by providing alternative payment options and services at lower costs through environmentally friendly technology (solar power) and automation.

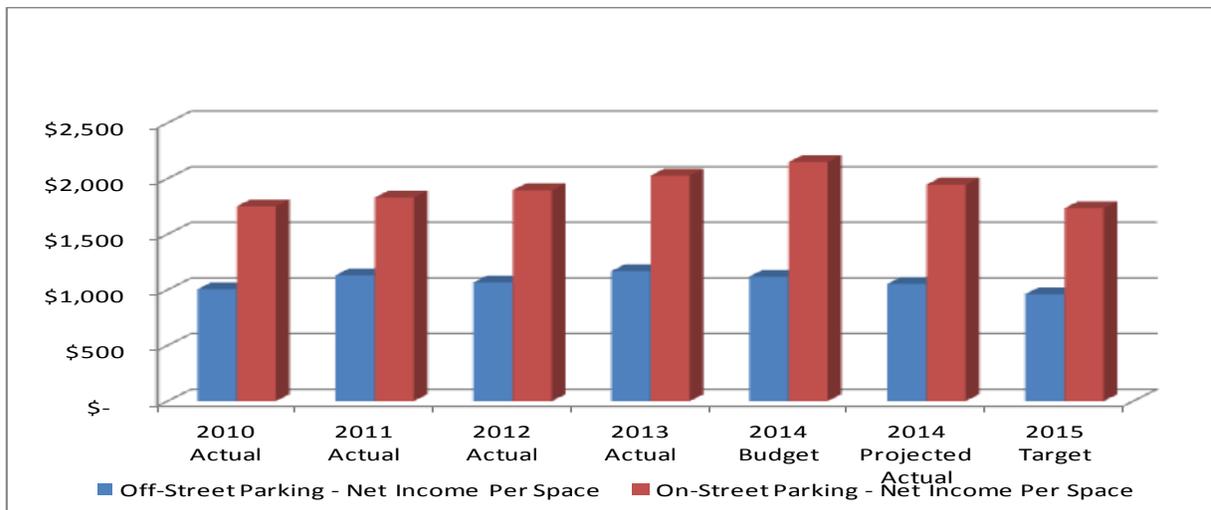
Off-Street Parking:

- Maintaining approximately 22,800 off-street spaces, which include 12 attended lots, 13 fully automated garages, and 180 unattended lots.
- Continuing to operate, on behalf of the Toronto Transit Commission, roughly 14,000 spaces at their park-and-ride facilities and parking lots.
- Continuing to manage for the Parks, Forestry and Recreation Program, parking facilities along the waterfront and other areas in the City, as well as for the Toronto Community Housing Corporation, additional 3,100 spaces, some of them operated on a seasonal basis.

Bike Share:

- Managing the Toronto Bike Share Program which has 1,000 bicycles utilizing 80 stations throughout the City.

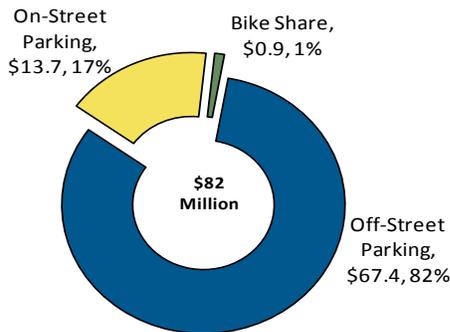
Net Income Per Space



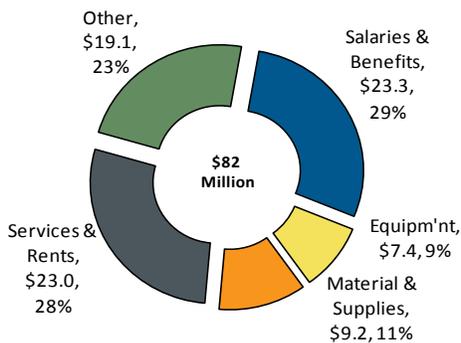
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
(\$81.984) Million

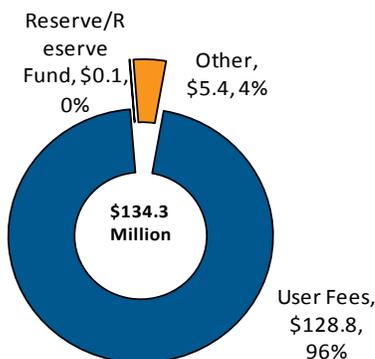


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- Maintaining historic profit margins in the face of rising land and development costs.
 - ✓ The 2015 Recommended Budget reflects savings of \$0.193 million based on a detailed review of operating expenses.
- Innovative and efficient expansion of Services by utilizing new technologies.
 - ✓ The 2015 Recommended Budget allocates funding for development of a mobile phone payment program allowing for the use of cell phone/smart phone/tablet based technologies.
- Decline in parking revenues due to on-going City wide road construction, various special events and closure of off-street carparks.
 - ✓ Toronto Parking Authority continues to collaborate with other City programs in order to minimize negative impact on both, on-street and off-street parking revenues through coordination and information sharing.

2015 Operating Budget Highlights

- Continue to manage, operate and maintain estimated 19,500 on-street, 38,500 off street parking spaces (including approximately 17,000 for third parties), and the Bike Share Program with a fleet of 1,000 bicycles locked in 80 docking stations.
- Maintain Payment Card Industry (PCI) compliance.
- Replace paper based monthly permit system with a digital system and provide enhanced customer self-serve payment and renewal options.
- Continue to maximize/leverage land values through joint development with private sector.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for Toronto Parking Authority of \$81.984 million gross and (\$52.246) million net, for the following services:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
Off-Street Parking:	67,391.5	(17,526.5)
On-Street Parking:	13,679.2	(34,719.2)
Bike- Share:	913.1	0.0
	<hr/>	<hr/>
Total Program Budget	<u>81,983.8</u>	<u>(52,245.7)</u>

2. City Council approve the 2015 recommended service levels for Toronto Parking Authority as outlined on pages 16 and 19 of this report and associated staff complement of 299.40 positions
3. The appropriate City staff ensure coordination of major transit and transportation or City building capital projects in close consultation with Toronto Parking Authority.



Part I:

2015 – 2017

Service Overview and
Plan

Program Map



Purpose:
To provide safe, attractive, clean, convenient, well-maintained, affordable on- street parking in support of the continued prosperity of the City's communities.

The Authority manages an estimated 19,500 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters.

Purpose:
To provide safe, attractive, clean, convenient, well-maintained, affordable off - street parking in support of the continued prosperity of the City's communities.

The Authority manages:

- Approximately 21,800 off-street spaces, which include 12 attended lots, 13 fully automated garages and 180 unattended lots.
- Roughly 13,600 spaces at the Toronto Transit Commission (TTC) park-and-ride facilities.
- Over 2,000 spaces for the Parks, Forestry and Recreation Program along the waterfront and other areas of the City.

Purpose:
To provide convenient access to high quality well maintained bicycle rentals to use for urban cycling on a short term basis.

The Authority manages:

- 1,000 bicycles
- 80 docking stations



Service Customer

On-Street Parking

- Local Business Customers
- People on Personal Business
- People on Business
- Short Stay Customers

Off-Street Parking

- Local Business Customers
- People on Personal Business
- People on Business
- Longer Stay Customers
- Residential

2015 Service Deliverables

The 2015 Recommended Operating Budget of \$81.984 million gross for Toronto Parking Authority will fund:

On-Street Parking:

- Managing an estimated 19,500 on-street spaces controlled by pay-and-display machines and meters.
- Continuing to improve customer service by providing alternative payment options and services at lower costs through environmentally friendly technology (solar power) and automation.

Off-Street Parking:

- Maintaining approximately 22,800 off-street spaces which include: 12 attended lots, 13 fully automated garages, and, 180 unattended lots.
- Continuing to operate, on behalf of the Toronto Transit Commission, roughly 14,000 spaces at their park-and-ride facilities and parking lots.
- Continuing to manage for the Parks, Forestry and Recreation Program, parking facilities along the waterfront and other areas in the City, as well as Toronto Housing Corporation, accounting for an additional 3,100 spaces.

Bike Share:

- Managing the Toronto Bike Share Program which has 1,000 bicycles utilizing 80 stations throughout the City.

Table 1
2015 Recommended Operating Budget and Plan by Service

(In \$000s)	2014		2015 Recommended Operating Budget			2015 Rec.d vs. 2014		Incremental Change 2016 and 2017 Plan				
	Approved Budget	Projected Actual	2015 Rec'd Base	2015 Rec'd New/Enhanced	2015 Rec'd Budget	Budget Approved Changes		2016		2017		
	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%	
By Service												
Off-Street Parking												
Gross Expenditures	64,605.6	64,126.0	66,909.3	482.1	67,391.5	2,785.9	4.3%	1,159.7	1.7%	605.0	0.9%	
Revenue	85,261.1	83,987.6	84,918.0		84,918.0	(343.1)	(0.4%)					
Net Expenditures	(20,655.5)	(19,861.6)	(18,008.7)	482.1	(17,526.5)	3,129.0	(15.1%)	1,159.7	(6.6%)	605.0	(3.6%)	
On-Street Parking												
Gross Expenditures	11,500.4	11,157.4	11,644.8	2,034.4	13,679.2	2,178.8	18.9%	(725.0)	(5.3%)	(1,065.4)	(8.4%)	
Revenue	53,174.7	48,910.1	48,398.3		48,398.3	(4,776.4)	(9.0%)					
Net Expenditures	(41,674.3)	(37,752.7)	(36,753.6)	2,034.4	(34,719.2)	6,955.2	(16.7%)	(725.0)	2.1%	(1,065.4)	3.0%	
Bike Share												
Gross Expenditures			913.1		913.1	913.1						
Revenue			913.1		913.1	913.1						
Net Expenditures												
Total												
Gross Expenditures	76,106.0	75,283.4	79,467.2	2,516.5	81,983.8	5,877.8	7.7%	434.7	0.5%	(460.4)	(0.6%)	
Revenue	138,435.8	132,897.7	134,229.4		134,229.4	(4,206.4)	(3.0%)					
Total Net Expenditures	(62,329.8)	(57,614.3)	(54,762.2)	2,516.5	(52,245.7)	10,084.1	(16.2%)	434.7	(0.8%)	(460.4)	0.9%	
Approved Positions	297.4	297.4	299.4		299.4	2.0	0.7%					

The 2015 Recommended Operating Budget for Toronto Parking Authority is \$81.984 million gross and (\$52.246) million in net revenue. The net revenue budget decreased by \$10.084 million or 16.2% due to the following:

- In November 2013, City Council authorized the transfer of BIXI Toronto assets to Toronto Parking Authority for the purpose of continuing the Bike Share program. Additional costs of \$913.1 million gross reflect the system operating costs, which will be fully offset by sponsorship revenues and reserve fund contributions, resulting in a \$0 net cost to Toronto Parking Authority.
- Base pressures, which are consistently experienced by the two services, *Off-street and On-Street Parking*, are mostly attributable to inflationary increases in salaries and benefits (\$0.821 million), and materials and supplies and contracted services (\$0.760 million). Additional costs of \$1.542 million are required to deliver *Off-Street Parking Service*, and are primarily for utility costs at parking facilities and services and rents. *On-Street Parking Service* incurred additional increases in costs of services of \$0.161 million.
- In addition to higher expenditures, the Toronto Parking Authority's base revenue budget declined in both, *Off-Street and On-Street* parking services, mostly due to closures of *off-street* parking facilities (\$1.941 million) and on-going construction and other road uses impacting *on-street* parking capacity (\$4.929 million).
- These pressures were partially offset through reduction options consisting of base expenditure savings resulting from a review of actual expenditures in both *Off-Street* and *On-Street* Parking services (\$0.193 million), and increased revenues from new *Off-Street* parking facilities and managed lots (\$1.444 million).
- The 2015 Recommended Operating Budget includes new funding of \$2.516 million net for an *off-street* mobile phone payment program (\$0.324 million), *on-street* parking signage (\$0.850 million),

as well as refurbishment of Pay and Display parking machines, both *on-street and off-street* (\$1.343 million).

- The 2016 and 2017 Plans reflect annualized impact of the above enhanced services recommended for 2015, and anticipated inflationary and other increases of non-labor related costs, including depreciation. Inflationary pressures for salaries and benefits are included in 2016 only, since 2017 is a collective bargaining year for unionized employees.
- In order to maintain the City's revenue share in 2015 at the 2014 levels, Toronto Parking Authority will provide a one-time revenue contribution to the City in 2015 of \$7.643 million.
- Sustainability of the Toronto Parking Authority revenues represents a factor that may negatively impact the City's Tax Supported Budget beyond 2015. The TPA, with support from the City will develop strategies and review/adjust policies that would not only prevent any further revenue losses, but enable Toronto Parking Authority to restore its revenues to pre-2015 levels.

Approval of the 2015 Recommended Operating Budget will result in Toronto Parking Authority increasing its total staff complement by 2 positions, from 297.4 to 299.4, as highlighted in the table below:

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget				Plan	
	Off-Street Parking	On-Street Parking	Bike Share	Total	2016	2017
2014 Approved Opening Complement	261.8	35.6		297.4		
In-year Adjustments				-		
Adjusted Staff Complement	261.8	35.6		297.4		
Recommended Change in Staff Complement						
Prior Year Impact						
Operating Impacts of Completed Capital Project						
Capital Project Delivery						
Base Changes	2.6	(0.6)		2.0		
Service Changes						
New / Enhanced Service Priorities						
Total	264.4	35.0		299.4		
Position Change Over Prior Year	2.6	(0.6)		2.0		
% Change Over Prior Year	1.0%	(1.7%)		0.7%		

- Additional 2 permanent positions are recommended for the *Off-Street Parking Service*. A Construction/Maintenance Coordinator is required for various maintenance projects, while an IT Administrator will work on the IT component of various technology initiatives.
- There is also a realignment of positions (0.6) between Off-Street and *On-Street Parking* service.

The 2015 Recommended Operating Budget includes base net expenditure pressures of \$9.204 million as detailed on the following page:

Table 3
Key Cost Drivers

(In \$000s)	2015 Recommended Operating Budget			Total Rec'd 2015 Base Budget
	Off-Street Parking	On- Street Parking	Bike Share	
Gross Expenditure Changes				
Economic Factors				
Economic Factors: Non Labour	628.1	132.0		760.1
COLA and Progression Pay				
Economic Factors: COLA and Fringe Benefit Changes	582.1	239.0		821.1
Other Base Changes				
Utilities - Light, Heat & Water due to usages and higher rates	456.1	5.0		461.1
Maintenance Costs and other Costs	318.6			318.6
Pay & Display Network - Communication Charges		150.9		150.9
Insurance Charges, Legal Costs and Municipal Taxes	418.8	4.8		423.6
Increase in Rents for Managed & New Lots	348.9			348.9
Bike Share Costs			913.1	913.1
Reversal of One-time Costs		(183.5)		(183.5)
Changes in depreciation expense	(307.2)	(152.8)		(459.9)
Total Gross Expenditure Changes	2,445.4	195.5	913.1	3,554.0
Revenue Changes				
On going road closures due to construction, filming and other events		(4,264.6)		(4,264.6)
Eglinton Crosstown LRT : On-Street Closures 2015		(77.6)		(77.6)
Richmond Adelaide Loss of Spaces		(20.5)		
Downtown Traffic Operations Study - Queen Street		(446.8)		
Motorcycle Usage		(120.0)		
Closures of Carparks	(1,752.7)			(1,752.7)
Other Net Decreases	(188.4)			(188.4)
Bike Share Program Revenues & Recoveries			913.1	913.1
General increase in parking usage in the downtown core	154.0	153.3		307.2
Total Revenue Changes	(1,787.1)	(4,776.4)	913.1	(5,650.4)
Net Expenditure Changes	4,232.5	4,971.9		9,204.4

Key cost drivers for Toronto Parking Authority are discussed below:

- The Bike Share Program is a new service, transferred to the Toronto Parking Authority from Transportation Services. A gross expenditure of \$0.913 million is included for monthly payments to the selected third party operator, as well as other administration and management costs incurred by Toronto Parking Authority. These expenses will be fully recovered from sponsorship and other revenues, resulting in a \$0 net pressure to this service.
- The major cost drivers impacting other two services, *Off-Street Parking* and *On Street Parking* include inflationary increase for salaries and benefits (\$0.821 million) and other non-labour costs, mostly materials and supplies (\$0.156 million) and services and rents (\$0.326 million).
- In addition to the above, *Off-Street Parking* service experienced higher costs and usage of light, heat and water, as well as maintenance, legal, insurance and rental costs, adding another \$1.542

million pressure to this service. *On-Street Parking* service was mostly affected by an increase in communication charges for the Pay & Display network of 0.161 million.

- The gross expenditure pressures were partially offset by a reversal of one-time expense associated with a cellphone/gateway *on-street* pilot project in 2014, and reduced depreciation costs anticipated for *both services* in 2015.
- In spite of an estimated general increase in parking usage in the downtown core of \$0.307 million, Toronto Parking Authority is facing a significant pressure arising from net revenue losses totaling \$5.650 million. These losses are associated with closures of certain existing off-street parking facilities to accommodate other City's development priorities, as well as on-going road closures for construction, filming and other events and City wide initiatives such as the Downtown Traffic Operations Study (DTOS) implementation.

The following service changes for Toronto Parking Authority consisting of base expenditures changes (\$0.193 million) and base revenue changes (\$1.444 million) are recommended, as detailed below:

Table 4
2015 Total Recommended Service Change Summary

Description (\$000s)	2015 Recommended Service Changes				Total Rec' Service Changes			Incremental Change			
	Off-Street Parking		On-Street Parking		\$	\$	#	2016		2017	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Expenditure Changes											
<i>Net decrease in materials and supplies</i>	(51.2)	(51.2)	(26.7)	(26.7)	(78.0)	(78.0)		51.2		0.0	
<i>Net decreases in service costs</i>	(90.4)	(90.4)	(24.4)	(24.4)	(114.8)	(114.8)		(0.5)		(0.5)	
Base Expenditure Change	(141.7)	(141.7)	(51.1)	(51.1)	(192.8)	(192.8)		50.7		(0.5)	
Base Revenue Changes											
<i>Management Fees and Other Revenues</i>		(324.8)				(324.8)					
<i>Openings of new Carparks</i>		(1,119.2)				(1,119.2)					
Base Revenue Change		(1,444.0)				(1,444.0)					
Sub-Total	(141.7)	(1,585.7)	(51.1)	(51.1)	(192.8)	(1,636.8)		50.7		(0.5)	
Total Changes	(141.7)	(1,585.7)	(51.1)	(51.1)	(192.8)	(1,636.8)		50.7		(0.5)	

Base Expenditure Changes (Savings of \$0.193 million gross and \$0.193 million net)

- Base expenditure savings are generated based on a review of actual costs in both *On-Street* and *Off-Street Parking* service:
 - The materials and supplies budget was reduced to reflect actual use of maintenance materials, stationary and office supplies (\$0.078 million).
 - Cost of services and rents reflect mostly adjustments to the advertising costs (\$0.115 million).

Base Revenue Changes (Revenue of \$1.444 million)

- Additional revenues to be generated in *Off-Street Parking* service are comprised of:
 - Increase in revenues from lots managed for third parties, as well as other revenues such as investment and advertising income (\$0.325 million).
 - Increase in off-street parking revenues anticipated from opening of new carpark facilities anticipated for 2015 (\$1.119 million).

Table 5

2015 Total Recommended New & Enhanced Service Priorities Summary

Description (\$000s)	New and Enhanced				Total Rec'd Service			Incremental Change			
	Off-Street		On-Street Parking		\$	\$	Positio	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
IT Expense for Mobile Phone Payment Program	323.9	323.9			323.9	323.9		6.8		6.9	
Pay & Display Refurbishment Program	158.3	158.3	1,184.4	1,184.4	1,342.7	1,342.7		42.6		(1,257.4)	
Mobile Phone Payment Signage			850.0	850.0	850.0	850.0		(850.0)			
Sub-Total	482.1	482.1	2,034.4	2,034.4	2,516.5	2,516.5		(800.6)		(1,250.4)	
New Service Priorities											
(a) New Services											
(b) New Fees											
Sub-Total											
Total	482.1	482.1	2,034.4	2,034.4	2,516.5	2,516.5		(800.6)		(1,250.4)	

Recommended Enhanced Service Priorities (\$2.516 million gross & \$2.516 million net)*IT Expense for Mobile Phone Payment Program*

- Based on a pilot project implemented in 2014, Toronto Parking Authority will be launching a mobile phone payment program. This initiative will allow Toronto Parking Authority's customers to pay for their off-street (Green P) parking using their mobile phone while being away from their vehicle. Other capabilities are expected to include other payment/pre-payment options such as a Green P reward and gift cards. Development of the application will take place in 2015.

Pay & Display Refurbishment Program

- The refurbishment program represent a rebuild of existing on and off street pay & display parking machines including all internal components, harness and seals. The program will span over a three year period (2015-2017).

Mobile Phone Payment Signage

- New on-street signage will be installed to reflect the implementation of the Mobile Phone Payment program. These signs will display zone ID's and inform customers that the mobile phone payment is available.

Approval of the 2015 Recommended Base Budget will result in a 2016 incremental net cost of \$0.437 million and a 2017 decrease in net cost of \$460.7 million, to maintain the 2014 level of service as discussed in the following section.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expenditure	% Change	# Positions	Gross Expense	Revenue	Net Expenditure	% Change	# Positions
Known Impacts:										
COLA and Fringe Benefits	407.4		407.4	0.5%				-		
Annualization	(800.6)		(800.6)	(1.0%)		(1,250.4)		(1,250.4)	(1.6%)	
Sub-Total	(393.2)		(393.2)	(0.5%)		(1,250.4)		(1,250.4)	(1.6%)	
Anticipated Impacts:										
Inflationary Increases - Non-Labour	125.9		125.9	0.2%		78.1		78.1	0.1%	
Depreciation Expense	702.0		702.0	0.9%		712.0		712.0	0.9%	
Sub-Total	827.9		827.9	1.0%		790.1		790.1	1.0%	
Total Incremental Impact	434.7		434.7	0.5%		(460.7)		(460.7)	(0.6%)	

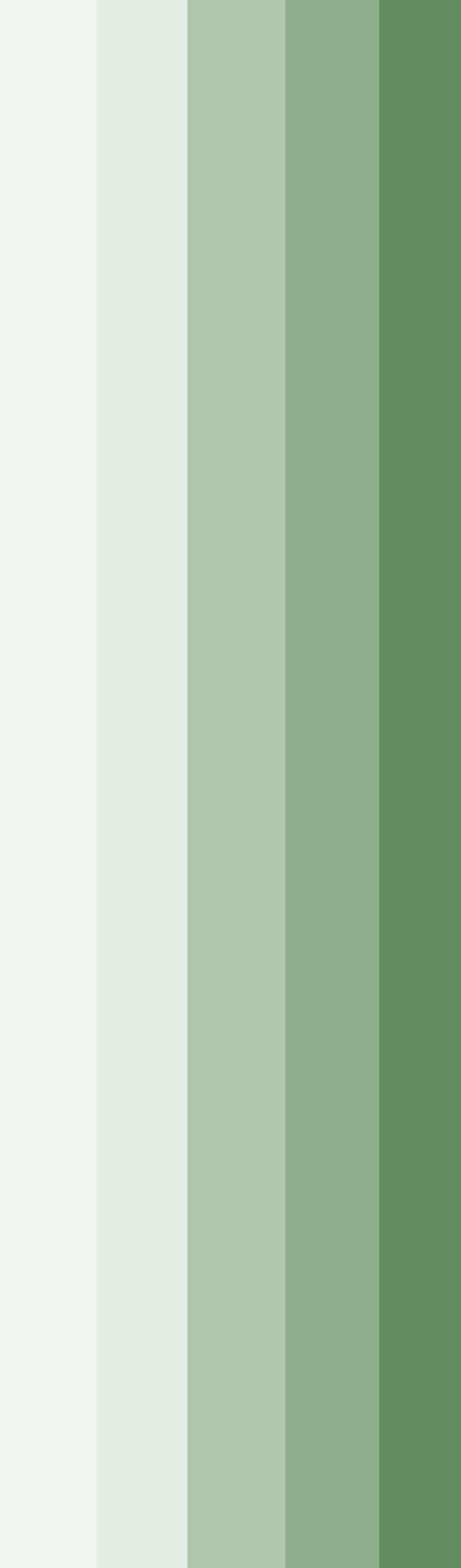
Future year incremental costs are primarily attributable to the following:

Known Impacts

- Salary and benefit costs increases will result in a pressure of \$0.407 million net in 2016. No incremental costs are anticipated for 2017, as this is a collective bargaining year for Toronto Parking Authority's unionized employees.
- Annualized impact of recommended enhanced services will result in future cost decreases. The Mobile Phone Payment Signage enhancements represent one-time costs that will be reversed in 2016, therefore fully offsetting labor related inflationary pressure in that year. In 2017, there will be a further cost decrease due to the P&D Refurbishment Program contract nearing completion.

Anticipated Impacts

- Future year increases for non-labor related costs are based on the past historical experience and determined as an overall percentage of those expenses. They account for \$0.126 million and \$0.078 million in a net pressure in 2016 and 2017 respectively.
- Higher depreciation costs are anticipated for both 2016 and 2017, based on planned capital asset and equipment additions.



Part II:

2015 Recommended
Budget by Service

Off-Street Parking



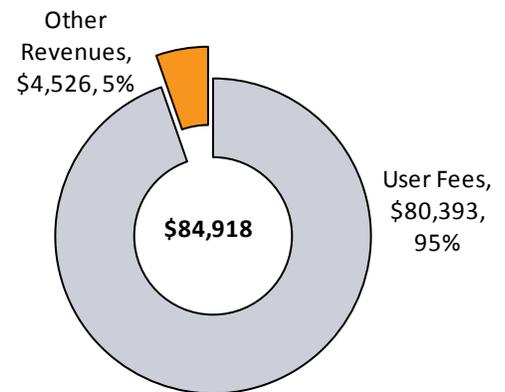
What We Do

- Provide safe, attractive, clean, convenient, well-maintained, affordable off-street parking in support of the continued prosperity of the City’s communities.

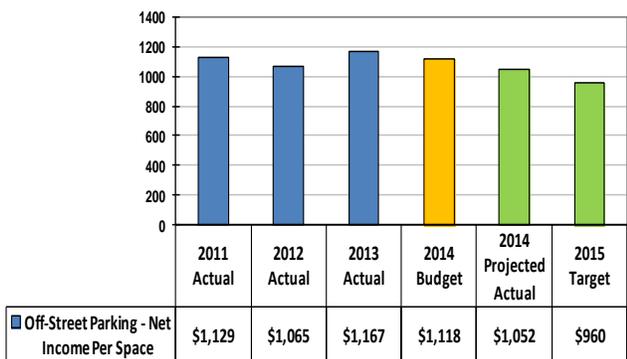
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Off-Street Parking – Net Income Per Space



- Starting in 2014 net income per space is on a decline.
- The ability to maintain historical off-street profit margins is becoming more difficult as operating costs continue to grow.
- In addition, parking revenues are on a downward trend due to closure of carparks for maintenance and to accommodate other City's development priorities.

2015 Service Levels

Off-Street Parking

Activity	Sub-Activity	Approved Service Levels				Recommended
		2011	2012	2013	2014	2015
Off-Street Parking	Surface Car Parks	80%-90% occupancy of available spaces in established areas			80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas
	Parking Garages	80%-90% occupancy of available spaces in established areas			80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Table 7
2015 Recommended Service Budget by Activity

(\$000s)	2014		2015 Recommended Operating Budget						Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget		Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Off-Street Parking	64,605.6	67,051.0	(141.7)	66,909.3	2,303.7	3.6%	482.1	67,391.5	2,785.9	4.3%	1,159.7	1.7%	605.0	0.9%
Total Gross Exp.	64,605.6	67,051.0	(141.7)	66,909.3	2,303.7	3.6%	482.1	67,391.5	2,785.9	4.3%	1,159.7	1.7%	605.0	0.9%
REVENUE														
Off-Street Parking	85,261.1	83,474.0	1,444.0	84,918.0	(343.1)	(0.4%)		84,918.0	(343.1)	(0.4%)				
Total Revenues	85,261.1	83,474.0	1,444.0	84,918.0	(343.1)	(0.4%)		84,918.0	(343.1)	(0.4%)				
NET EXP.														
Off-Street Parking	(20,655.5)	(16,423.0)	(1,585.7)	(18,008.7)	2,646.8	(12.8%)	482.1	(17,526.5)	3,129.0	(15.1%)	1,159.7	(6.6%)	605.0	(3.7%)
Total Net Exp.	(20,655.5)	(16,423.0)	(1,585.7)	(18,008.7)	2,646.8	(12.8%)	482.1	(17,526.5)	3,129.0	(15.1%)	1,159.7	(6.6%)	605.0	(3.8%)
Approved Positions	261.8	264.4		264.4	2.6	1.0%		264.4						

The 2015 Recommended Operating Budget for Off-Street Parking of \$67.391 million gross and (\$84.918) million in net revenue is \$3.129 million or 15.1% above the 2014 Approved Net Budget.

The **Off-Street Parking Service** provides approximately 22,800 safe, attractive, clean, convenient, well-maintained, affordable off-street parking spaces in support of the continued prosperity of the City's communities. It also manages parking facilities with about 17,000 parking spaces for other City programs such as TTC, TCHC and Parks, Forestry and Recreation.

- The base pressures are primarily attributable to:
 - Salary and benefit increases for cost of living increases and progression pay (\$0.501 million). 2.0 positions are also added to coordinate off-street construction and maintenance and administer technology projects (\$0.127 million).
 - Inflationary pressures for materials and supplies, and both contracted and in-house provided maintenance services (\$0.947 million,) as well as higher utility (light, heat and water) usage at parking lots (\$0.456 million).
 - Estimated revenue losses from closure of parking facilities required to accommodate other City development initiatives (1.753 million).
- The base budget pressures have been partially offset by expenditure reductions identified by line-by-line reviews of actual costs (\$0.142 million), and estimated revenue increases from

management fees and other revenues (\$0.325 million) and opening of 4 new parking lots with 254 spaces (\$1.119 million).

- The 2015 Operating Budget for Off-Street Parking includes new funding for refurbishment of pay and display machines (\$0.158 million) and Mobile Phone Payment Program implementation (\$0.323 million).
- A decrease in net revenues of \$3.129 million experienced by this service will result in a reduced contribution to the City compared to 2014 levels.

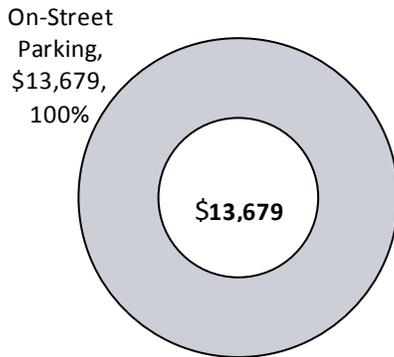
On-Street Parking



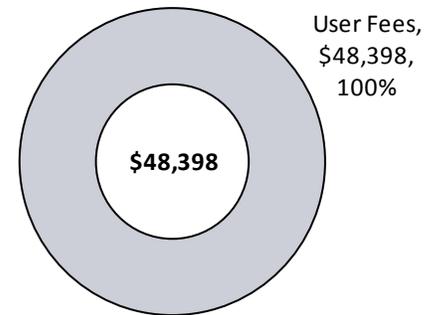
What We Do

- Provide safe, attractive, clean, convenient, well-maintained, affordable on-street parking in support of the continued prosperity of the City’s communities.

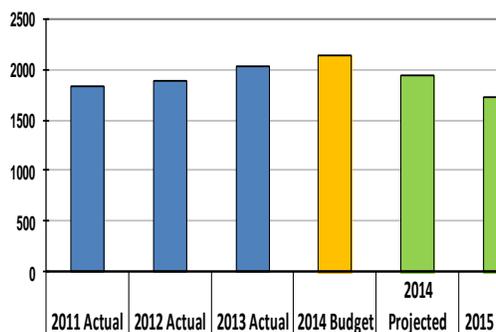
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



On-Street Parking – Net Income per Space



On-Street Parking - Net Income Per Space	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2014 Projected Actual	2015 Projected
	\$1,829	\$1,895	\$2,026	\$2,148	\$1,946	\$1,746

- Net income per on-street parking space has grown since 2009. However, since 2014 revenues are on decline, as a result of other road uses and on-going road construction activities.
- The continued utilization of new technologies is expected to return a greater income per parking space in the future.

2015 Service Levels

On-Street Parking

Activity	Sub-Activity	Approved Service Levels				2015 Requested
		2011	2012	2013	2014	
On-Street Parking		80%-90% occupancy of available spaces in established areas		80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Table 8

2015 Recommended Service Budget by Activity

(\$000s)	2014	2015 Recommended Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
On-Street Parking	11,500.4	11,695.9	(51.1)	11,644.8	144.4	1.3%	2,034.4	13,679.2	2,178.8	18.9%	(725.0)	-5.3%	(1,065.4)	(8.2%)	
Total Gross Exp.	11,500.4	11,695.9	(51.1)	11,644.8	144.4	1.3%	2,034.4	13,679.2	2,178.8	18.9%	(725.0)	-5.3%	(1,065.4)	(9.0%)	
REVENUE															
On-Street Parking	53,174.7	48,398.3		48,398.3	(4,776.4)	(9.0%)		48,398.3	(4,776.4)	(9.0%)		0.0%			
Total Revenues	53,174.7	48,398.3		48,398.3	(4,776.4)	(9.0%)		48,398.3	(4,776.4)	(9.0%)		0.0%			
NET EXP.															
On-Street Parking	(41,674.3)	(36,702.4)	(51.1)	(36,753.6)	4,920.7	(11.8%)	2,034.4	(34,719.2)	6,955.2	(16.7%)	(725.0)	2.1%	(1,065.4)	3.0%	
Total Net Exp.	(41,674.3)	(36,702.4)	(51.1)	(36,753.6)	4,920.7	(11.8%)	2,034.4	(34,719.2)	6,955.2	(16.7%)	(725.0)	2.1%	(1,065.4)	2.9%	
Approved Positions	35.6	35.0		35.0	(0.6)	(1.7%)		35.0	(0.6)	(1.7%)		0.0%			

The 2015 Recommended Operating Budget for On-Street Parking of \$13.679 million gross and (\$48.398) million in net revenue is \$6.955 million or 16.7% below the 2014 Approved Net Budget.

The **On-Street Parking Service** provide approximately 19,500 safe, attractive, clean, convenient, well-maintained, affordable on-street parking in support of the continued prosperity of the City's communities.

- The base pressures are primarily attributable to salary and benefit increases for cost of living increases and progression pay (0.132 million), inflationary pressures for materials and supplies and services (\$0.244 million) as well as higher communication charges for Pay & Display system (\$0.151 million).
- This service also experienced revenue losses due to on-going City wide construction as well as other road uses such as filming, street events and introduction of bike lanes (\$4.264 million). Other City initiatives such as the implementation of the Downtown Traffic Operations Study and the Eglinton Crosstown LRT resulted in a further reduction of on-street parking revenues (\$0.524 million).
- The base budget pressures have been partially offset through reductions identified in line-by-line reviews of actual costs (\$0.051 million).
- The 2015 Operating Budget for On-Street Parking includes a new funding for refurbishment of pay and display machines (\$1.184 million) and Mobile Phone Payment Signage implementation (\$0.850million).

A decrease in net revenues of \$6.955 million experienced by this service will result in a reduced contribution to the City compared to 2014 levels.

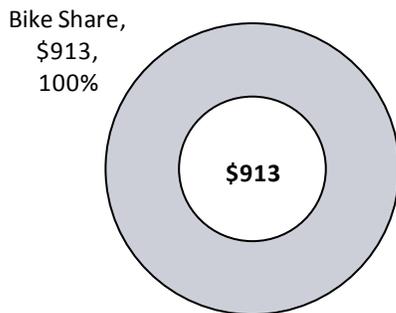
Bike-Share Program



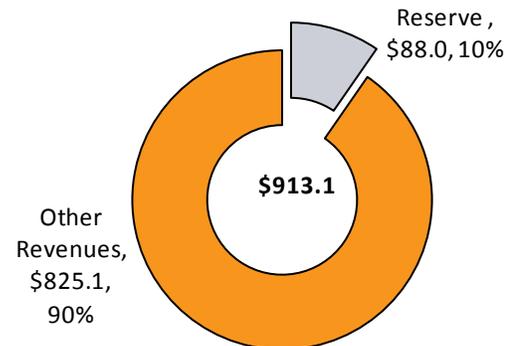
What We Do

- Provide convenient access to high quality well maintained bicycle rentals to use for urban cycling on a short term basis.

2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Service Levels

The Toronto Parking Authority is in a process of establishing appropriate service level standards for the Bike Share Program. It is anticipated that they will be provided in time for consideration with the 2016 Operating Budget process

Table 9

2015 Recommended Service Budget by Activity

(\$000s)	2014	2015 Recommended Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014		Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
					Budget	Change			\$	%	\$	%	\$	%
GROSS EXP.														
Bike Share		913.1		913.1	913.1			913.1	913.1					
Total Gross Exp.		913.1		913.1	913.1			913.1	913.1					
REVENUE														
Bike Share		913.1		913.1	913.1			913.1	913.1					
Total Revenues		913.1		913.1	913.1			913.1	913.1					
NET EXP.														
Bike Share														
Total Net Exp.	N/A	0.0		0.0	0.0	N/A		0.0	0.0	N/A				
Approved Positions														

The 2015 Recommended Operating Base Budget for the Bike Share Program is \$0.913 million gross and \$0 net.

The **Bike Share Service** provides convenient access to high quality well maintained bicycle rentals to use for urban cycling on a short term basis. It has a fleet of approximately 1,000 bicycles locked into 80 stations. This service was transferred to Toronto Parking Authority at the end of 2013. At the time, City Council also established a Bike Share Program reserve to fund the interim and transitions costs. No further adjustments were made to the 2014 Operating Budget for Toronto Parking Authority.

- The 2015 Recommended Operating Budget includes a gross expenditure of \$0.913 million for monthly payments to the selected third-party operator, as well as other administration and management costs incurred by the Toronto Parking Authority.
- These expenses will be fully recovered from sponsorship and other revenues, resulting in a \$0 net cost for this service.
- The 2015 Operating Budget does not include any funding for further expansion of this service. Any further plans will be developed after the current Bike Share Program stabilizes and funding requirements will be identified during the 2016 and future year budget processes.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

Loss of Parking Revenues and City Revenue Sharing

Since 2014, Toronto Parking Authority revenues from both on-street and off-street revenues are on decline mostly due to the following:

- Closure of existing off-street parking facilities including Carpark 1, 52, 108, 217, 650, 664 and 262, which are being partially closed for maintenance or permanently closed to accommodate other City's development priorities. In 2015, an estimated revenue loss is \$1.753 million.
- Loss of on-street parking spaces due to on-going City wide construction activities, as well as other competing road uses, including other modes of transportation, street events and variety of City initiatives . In 2015, a decrease of on-street parking revenues of \$4.929 million is estimated as follows:
 - On-going construction, filming and other events - \$4.264 million.
 - Downtown Traffic Operations Study (Queen Street) - \$0.447 million.
 - Eglinton Crosstown LRT on-street closures - \$0.078 million
 - Motorcycle usage - \$0.120 million
 - Richmond-Adelaide loss of spaces - \$0.020 million.
- Due to declining revenues coupled with continuing rise of operating costs, the off-street parking operating costs in particular, the Toronto Parking Authority's 2015 Recommended Operating Budget of \$81.984 million gross and (\$52.246) million in net revenue, reflects a budget decline of \$10.084 million or 16.2% from the 2014 Operating Budget of (\$62.330) million in net revenue.
- As per the Income Sharing Agreement between the City and the Toronto Parking Authority, 75% of the TPA's annual net revenue is contributed to the City and accounted for within the City's Tax Supported Budget. As a result of the above year over year decrease in net revenue of \$10.084 million, the City's revenue share will be \$7.643 million lower than the 2014 budgeted TPA contribution.
- In order to maintain the City's revenue share in 2015 at the 2014 approved levels, based on 75% of net revenues, the Toronto Parking Authority will provide a one-time revenue contribution of at least \$7.643 million to the City in 2015.
- It is recommended that City staff ensure that Toronto Parking Authority is included in coordination of major transit, transportation and City building capital projects.

Bike Share Program

In November 2013, City Council authorized the transfer of the BIXI Toronto assets to the Toronto Parking Authority for the purpose of continuing the bike share program, as well as the responsibility and authority for the ownership, acquisition, management, maintenance and operation of the bike share program on behalf of the City of Toronto. (EX35.8, "Strategy for Continuing Toronto's Bike Share Program", adopted on November 13, 14, 15 and 18, 2013).

City Council also established a Bike Share Program Reserve for the purpose of providing a source of funding for the debt, transition costs, interim operating payments, capital expansion and replacement costs, and ongoing operating contributions to the Toronto Parking Authority for any system operating losses, authorising an initial amount of \$0.550 million for the TPA's transaction, and transition and start up costs.

The Toronto Parking Authority's 2015 Recommended Operating Budget includes a provision of \$0.913 million for monthly payments to the selected third-party operator for the existing fleet of 1,000 bicycles, as well as other administration and management costs incurred by Toronto Parking Authority. These expenses will be fully recovered from sponsorship and other revenues, resulting in a \$0 net pressure to Toronto Parking Authority.

Any expansion plans will be developed after the current Bike Share Program stabilizes, and funding requirements will be identified and included in the future Toronto Parking Authority's Operating Budget Submissions.

Future Year Issues

Sustainability of Toronto Parking Authority Revenues

- Sustainability of the Toronto Parking Authority revenues represents a factor that may negatively impact the City's Tax Supported Budget beyond 2015.
- The TPA, with support from the City will develop strategies and review/adjust policies that would not only prevent any further revenue losses, but enable Toronto Parking Authority to restore its revenues to pre-2015 levels.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, the Toronto Parking Authority achieved the following results:

- ✓ Successfully operated the largest municipal parking supply in North America that includes 22,800 off-street and 19,500 on-street parking spaces.
- ✓ Addressed off-street parking shortfalls by opening four new *off-street* carparks with 126 spaces.
- ✓ Completed an automated work order system for reporting and tracking of maintenance activities.
- ✓ Achieved Payment Card Industry (PCI) compliance
- ✓ Continued to remain 100% self-sustaining through user fees from off-street and on-street parking facilities and other sources, such as the selling of air rights, with no reliance on the municipal property tax base.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	73,983.4	78,498.3	76,106.0	75,283.4	(822.6)	(1.1)
Revenues	132,307.4	138,492.9	138,435.8	132,897.7	(5,538.1)	(4.0)
Net Expenditures	(58,324.0)	(59,994.6)	(62,329.8)	(57,614.3)	4,715.5	(7.6)
Approved Positions	295.7	296.7	297.4	297.4		

* Based on the 3rd Quarter Operating Budget Variance Report

2014 Experience

- Toronto Parking Authority reported an unfavourable net expenditure variance of \$1.781 million or 4.0% under budget for the nine month period ended September 30, 2014.
- The variance consisted of lower than budgeted gross expenditures of \$1.880 million or 3.4%, mostly due to savings in salaries and benefits for part time cashiers, and lower maintenance costs arising largely from the timing of maintenance work which does not commence until later in the year. These savings were partially offset by increased utility costs (\$0.151 million) and lower than anticipated revenues from on-street parking (\$3.510 million).
- For year-end, the Toronto Parking Authority is projecting a net unfavourable variance of \$4.715 million or 7.6% below the 2014 Approved Operating Budget of \$62.330 million.

- The unfavourable net variance projection is primarily due to anticipated lower revenues from on-street parking as a result of increased road work levels City wide, in addition to the impact of the large number of snow days experienced during the first three months.

Impact of 2014 Operating Variance on the 2015 Recommended Budget

- The 2015 Recommended Operating Budget includes a reduction in revenues of \$4.206 million which is reflective of lower on-street and off-street revenues experienced in 2014.

Appendix 2

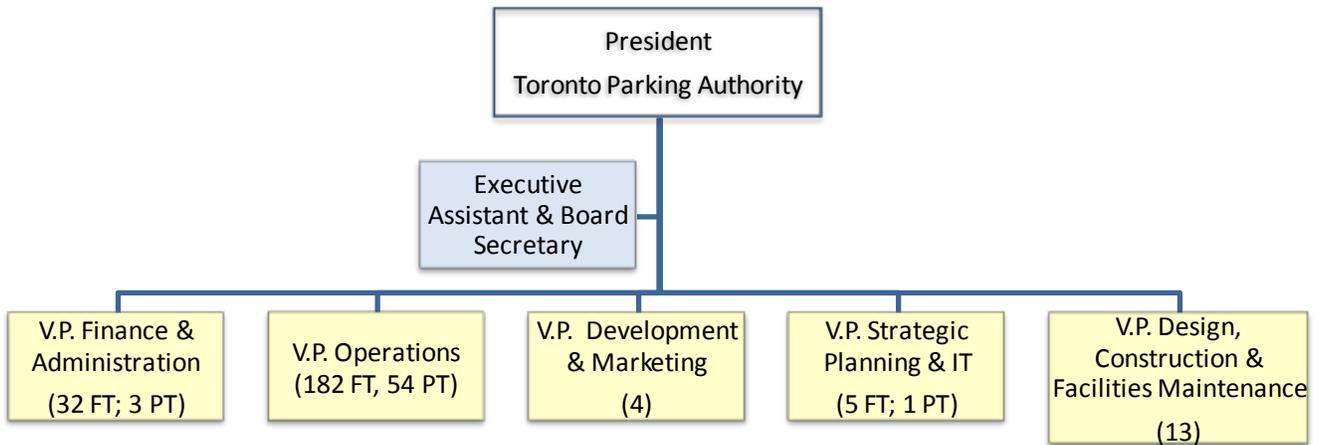
2015 Recommended Operating Budget By Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	21,973.4	21,973.4	22,457.8	21,887.9	23,278.8	821.1	3.7%	23,686.2	23,686.2
Materials and Supplies	6,396.6	6,395.2	7,425.9	6,506.2	9,203.9	1,778.0	23.9%	8,453.1	7,201.1
Equipment	7,528.2	7,528.2	7,377.2	7,110.1	7,370.1	(7.1)	(0.1%)	8,072.1	8,784.1
Services & Rents	18,902.2	18,649.6	20,318.0	21,109.2	23,006.4	2,688.3	13.2%	23,077.9	23,152.7
Contributions to Capital									
Contributions to Reserve/Res Funds		4,768.9							
Other Expenditures	19,183.0	19,183.0	18,527.1	18,670.0	19,124.6	597.5	3.2%	19,129.3	19,134.0
Interdivisional Charges								-	-
Total Gross Expenditures	73,983.4	78,498.3	76,106.0	75,283.4	81,983.8	5,877.8	7.7%	82,418.5	81,958.1
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	126,416.3	127,832.9	133,910.3	127,821.1	128,790.8	(5,119.5)	(3.8%)	128,790.8	128,790.8
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve					88.0				
Sundry Revenues	5,891.1	10,660.0	4,525.5	5,076.7	5,350.6	825.1	18.2%	5,438.6	5,438.6
Required Adjustments									
Total Revenues	132,307.4	138,492.9	138,435.8	132,897.7	134,229.4	(4,294.4)	(3.1%)	134,229.4	134,229.4
Total Net Expenditures	(58,324.0)	(59,994.6)	(62,329.8)	(57,614.3)	(52,245.6)	10,172.2	(16.3%)	(51,810.9)	(52,271.3)
Approved Positions	295.7	296.7	297.4	297.4	299.4	2.0	0.7%	299.4	299.4

Appendix 3

2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	7.0	9.0	64.0	161.0	241.0
Part-Time			5.0	53.0	58.0
Total	7.0	9.0	69.0	214.0	299.0

Appendix 5

Summary of 2015 Recommended New / Enhanced Service Priorities



2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

5516 **Mobile Phone Payment Signage**

72 0 **Description:**

New on-street signage will be installed to reflect the implementation of the Mobile Phone Payment program. These signs will display zone ID's and inform customers that the mobile phone payment is available.

Service Level Impact:

This represents a replacement of the existing on-street parking signage.

Service: On-Street Parking

Total Staff Recommended:	850.0	0.0	850.0	0.0	(850.0)	0.0
Staff Recommended New/Enhanced Services:	850.0	0.0	850.0	0.0	(850.0)	0.0

Category:

- 71 - Operating Impact of New Capital Projects 74 - New Services
- 72 - Enhanced Services-Service Expansion 75 - New Revenues

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
5532		IT Expense for Mobile Phone Payment Program						
72	0	Description:						
<p>This initiative will allow Toronto Parking Authority's customers to pay for their off-street (Green P) parking using their mobile phone while being away from their vehicle. Other capabilities are expected to include other payment/pre-payment options such as a Green P reward and gift cards. Development of the application will take place in 2015.</p> <p>Service Level Impact:</p> <p>Based on a pilot project implemented in 2014, Toronto Parking Authority is expanding this Program to all off-street parking facilities. This initiative will provide more convenient payment options to TPA's customers.</p> <p>Service: Off-Street Parking</p>								
Total Staff Recommended:			323.9	0.0	323.9	0.0	6.8	6.9
Staff Recommended New/Enhanced Services:			323.9	0.0	323.9	0.0	6.8	6.9

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
5848		Pay & Display Refurbishment Program						
72	0	Description:						
		The refurbishment program represent a rebuild of existing on-street and off- street pay and display parking machines including all internal components, harness and seals. The program will span over a three year period (2015-2017).						
		Service Level Impact:						
		There is no change in service levels.						
		Service: Off-Street Parking						
		Total Staff Recommended:	158.3	0.0	158.3	0.0	5.0 (148.2)	
		Service: On-Street Parking						
		Total Staff Recommended:	1,184.4	0.0	1,184.4	0.0	37.6 (1,109.2)	
		Staff Recommended New/Enhanced Services:	1,342.7	0.0	1,342.7	0.0	42.6 (1,257.4)	

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 10

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Proposed Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		1,570.0	1,570.0	1,100.0	1,130.0
Parking Payment in Lieu Reserve Fund	XR1016				
<i>Proposed</i>					
<i>Withdrawals (-)</i>			(500.0)		
<i>Contributions (+)</i>			30.0	30.0	30.0
Total Reserve / Reserve Fund Draws / Contributions		1,570.0	1,100.0	1,130.0	1,160.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		1,570.0	1,100.0	1,130.0	1,160.0