

**2017 Recommended Operating Budget and
2017 – 2026 Capital Budget and Plan**

Budget Committee



Agenda

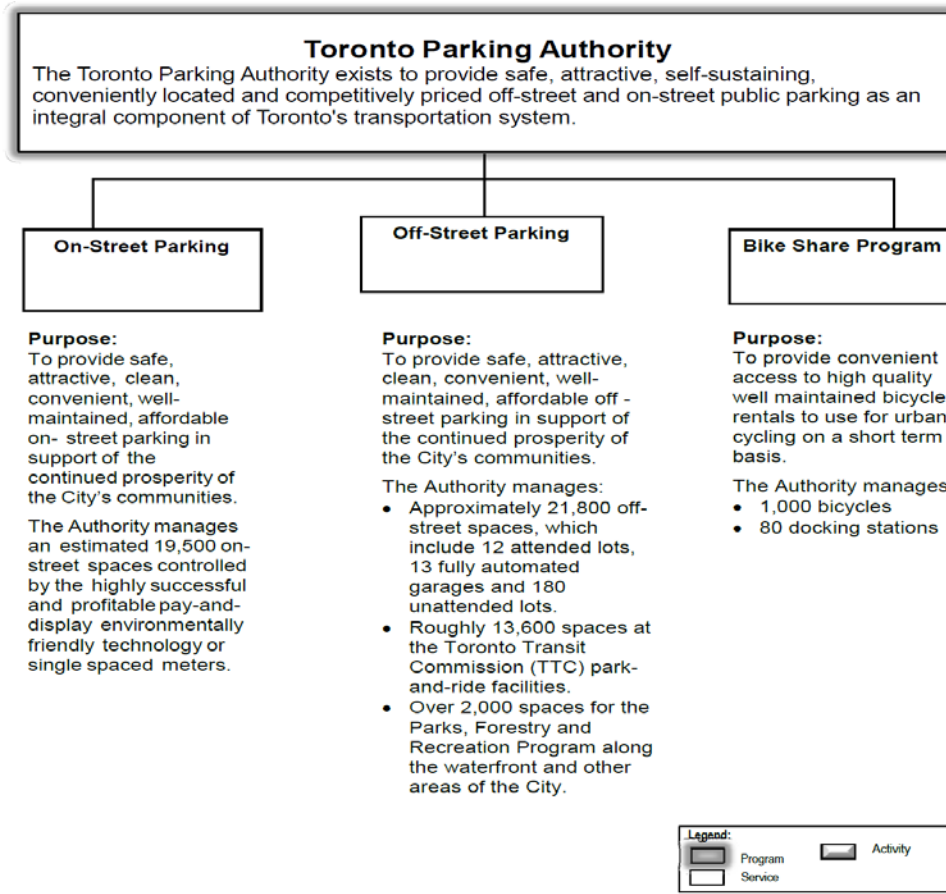
- Program Overview
- 2017 Operating Budget
 - 2016 Service Performance
 - 2017 Program Issues
 - 2017 Recommended Operating Budget
- 2017 – 2026 Capital Budget and Plan
 - 2016 Capital Performance
 - 2017 Program Issues
 - 2017 – 2026 Recommended Capital Budget and Plan



Program Overview



2016 Program Map

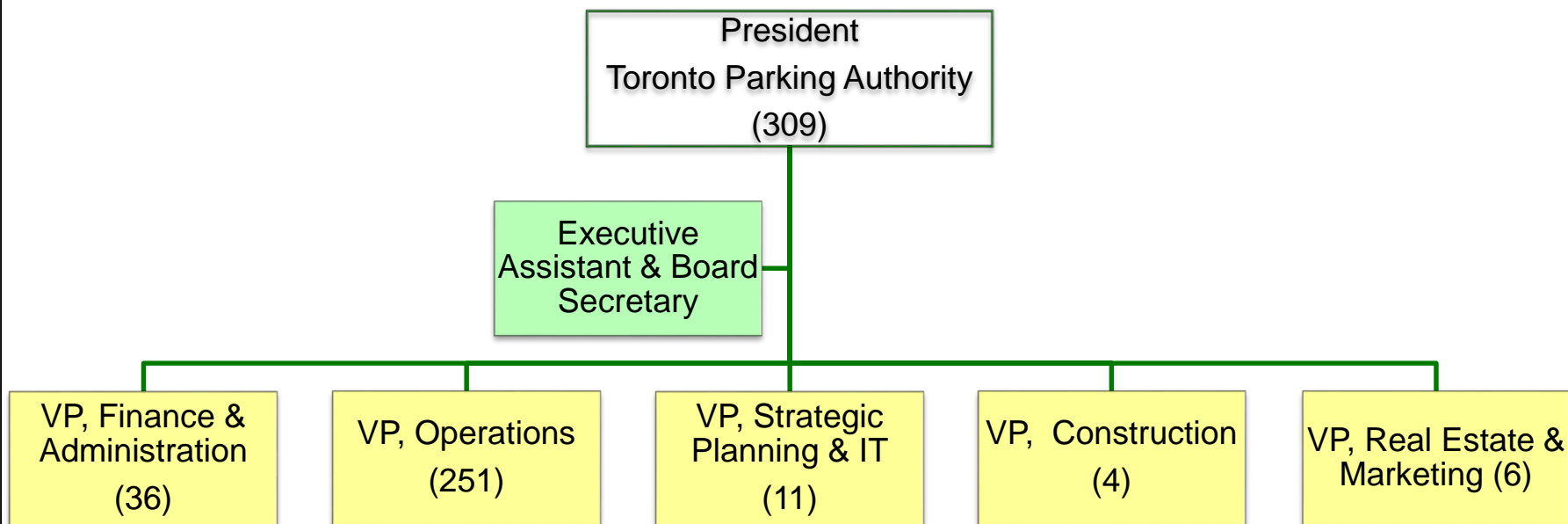


Service Customer

- On-Street Parking**
- Local Business Customers
 - People on Personal Business
 - People on Business
 - Short Stay Customers

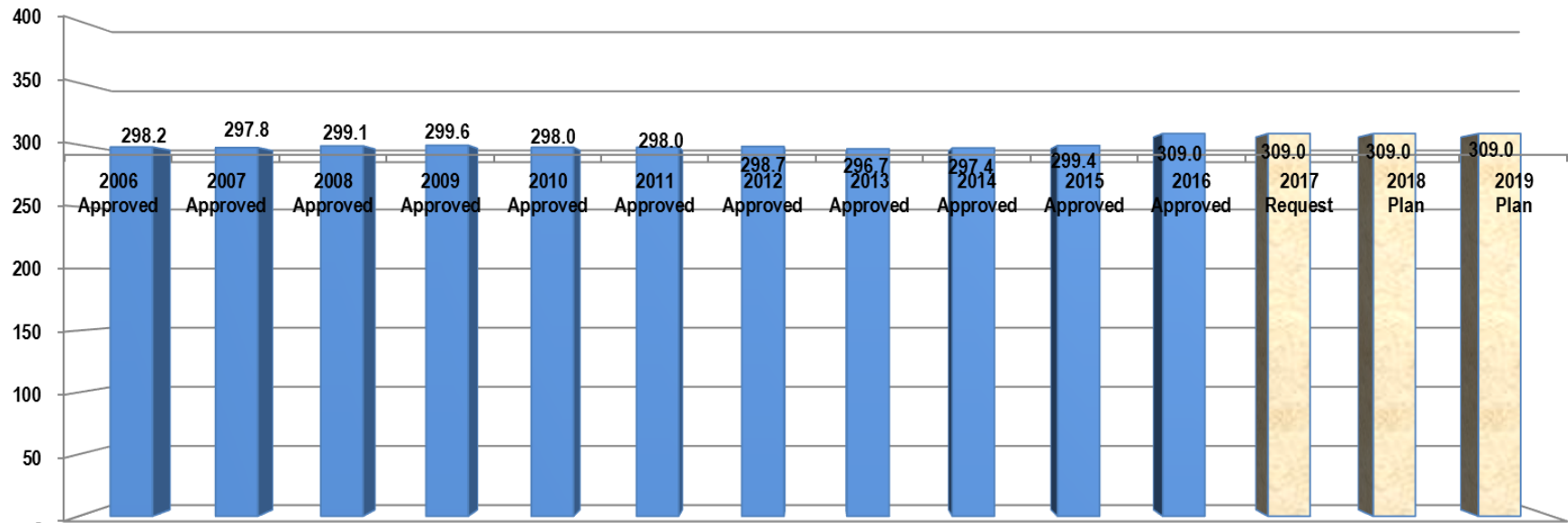
- Off-Street Parking**
- Local Business Customers
 - People on Personal Business
 - People on Business
 - Longer Stay Customers
 - Residential

2016 Organization Chart



Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent Position	7.00	13.0	70.0	166.0	256.0
Temporary Position	0.0	0.0	0.0	53.0	53.0
Total	7.0	13.0	70.0	219.0	309.0

Staffing Trend (Excludes Capital Positions)



Key Points:

- TPA is re-aligning its organizational structure in order to meet its 5 Year Strategic Plan
- To date, no FTEs have been booked against Capital positions

Vacancy Analysis

	2014			2015			2016 Year-End Projections			
	Approved Positions	# of Vacancies	Vacancies % of Approved Positions	Approved Positions	# of Vacancies	Vacancies % of Approved Positions	Approved Positions	# of Vacancies as at Jun 30 *	# of Vacancies Projections to Dec 31	Vacancies % of Approved Positions
Operating	297.4	12.4	4.2%	299.4	1.0	0.3%	309.0	5.0	0.0	0.0%
Capital	0.0	0.0	n/a	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Total	297.4	12.4	4.2%	299.4	1.0	0.3%	309.0	5.0	0.0	0.0%

Vacancy Drivers:

- Approved strategic roles have been carefully recruited to ensure the right fit
- Vacancies are expected to be nil at year end; any open positions to date are currently part of expected turnover



2017 Operating Budget



2016 Service Performance

2016 Key Service Accomplishments

1. On Street Parking

- Commenced comprehensive pay-and-display meter refurbishment program (faster processing times for customer, appearance refresh, improved backend admin). 2 year program, 3,000 P&D meters.
- Rate reviews approved fall of 2015 lays groundwork for partial 2016 revenue offset to continued erosion of on-street service \ supply.

2. Off Street Parking

- Launched Phase 1 of the Mobile Payment program. Mobile pay now available at over 185 off street carparks (including TTC lots).
- Strongest revenue growth in TPA history
- Refreshed all trail-blazer signage
- GreenP+ program on track

3. Bike Share

- Selected a new equipment provider and doubled the size of the bike share system to 200 stations and 2,000 bikes
- Increased annual and casual ridership in 2016

2016 Operating Budget Variance

Category of Expense (\$000's)	2014	2015	2016	2016	2016 Budget vs	
	Actuals	Actuals	Budget	Projected Actuals*	2016 Budget vs Projected Actuals	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	21,928	23,461	24,141	25,092	952	3.9%
Materials and Supplies	5,520	6,223	8,872	7,876	(996)	(11.2%)
Equipment (Depreciation)	7,326	7,098	7,299	6,808	(491)	(6.7%)
Services & Rents	6,713	7,019	8,192	8,240	48	0.6%
Contributions to Capital (Municipal taxes)	19,203	19,933	18,842	22,475	3,633	19.3%
Contributions to Reserve/Res Funds	0	0	0	0	0	-
Other Expenditures	15,319	16,562	16,484	17,156	673	4.1%
Interdivisional Charges	0	0	0	0	0	-
Total Gross Expenditures	76,009	80,297	83,830	87,649	3,819	4.6%
Interdivisional Recoveries					0	-
Provincial Subsidies					0	-
Federal Subsidies					0	-
Other Subsidies					0	-
Parking Revenue	128,755	133,077	132,085	140,813	8,728	6.6%
Transfers from Capital Fund					0	-
Asset Sales Gains		107,312	29,080		(29,080)	(100.0%)
Sundry Revenues	5,208	3,697	3,990	3,442	(548)	(13.7%)
Total Revenues	133,963	244,087	165,155	144,254	(20,901)	(12.7%)
Total Net Expenditures	(57,955)	(163,790)	(81,326)	(56,606)	24,720	(30.4%)
Approved Positions	297.4	299.4	309.0	309.0	0.0	

Key Points (explanation of trend and variances and impact on 2017):

- Income from operations, before gain on assets sales is expected to exceed the 2016 budget by \$4.9M, or 10.2%
- Revenue growth, supported by transaction volume and pricing increases are expected to continue in 2017

2017 Program Issues

Key Issues and Challenges

- Satisfying increasing short-term parking needs in an environment of increasing land and development costs.
- Policy initiatives and transportation trends – the competing demand for On-Street curb space \ availability – impacting service levels and revenues (curbside management, complete streets, bike lanes).
- Impact of road construction and closures
- Keeping pace with technology advancements related to customer parking experience (ease of use, payment methodologies)

Service Objectives and Key Priority Actions

Service Objectives:

- Leverage land values through Joint Venture redevelopment with private and public sectors as a means of funding an increase in parking supply.
- Increase supply of On-Street parking spaces (2016 target – 1,000).
- Use of technology to increase customer convenience and lower operating costs.
- Extend service payment requirement to non-revenue parkers.
- Expansion of Bike Share program as integral component of City's transportation strategy.

Key Priority Actions:

- The 10 year Capital plan includes 14 potential Joint Venture arrangements.
- Increase collaboration amongst City departments to minimize negative impact on parking revenues, where feasible.
- Continued implementation of the mobile payment application. Phase 2 On-Street parking and Merchant validation.
- Selectively raising On Street rates, extending On Street charging hours, and exploring new On Street parking locations.
- Expansion of Bike Share Program.
- Implementation of Organizational Operating Model Assessment and culture shift programs

Business Modernization & Transformation Initiatives

Service Delivery

- Maximize the value of program through efficient usage of Mobile Pay and other leading edge technologies
- Creating new internal platforms to improve collaboration

Service Policy Changes (i.e. service level changes)

- TPA has been working with other City departments and has been engaging more with communities to help implement TPA's new "Community Benefits Policy"

2017 Recommended Operating Budget

2017 Recommended Operating Budget

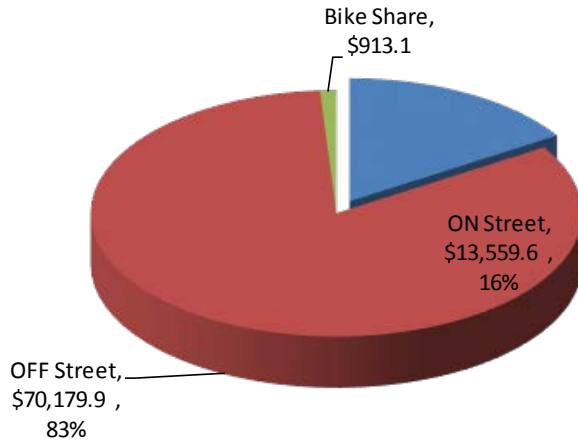
By Service (In \$000s)	2017 Submitted Operating Budget										Incremental Change						
	2016 Approved Budget	2017 Submitted Base	Change - 2017 Submitted Base Budget v. 2016 Appvd. Budget	%	2017 Submitted Service Changes	Submitted Base Incl. Service Changes	Change - 2017 Submitted Base Budget (incl. Service Changes) v. 2016 Appvd. Budget	%	2017 Submitted New/Enhanced	2017 Submitted Budget	2017 Submitted vs. 2016 Budget Approved Changes	%	2018	%	2019	%	
	\$	\$	\$	%	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
ON Street																	
Gross Expenditures	13,649.6	13,559.6	(90.0)	(0.7%)	0.0	13,559.6	(90.0)	(0.7%)		13,559.6	(90.0)	(0.7%)	13,730.2	101.3%	13,929.6	101.3%	
Revenue	48,258.4	52,053.8	3,795.4	7.9%	0.0	52,053.8	3,795.4	7.9%		52,053.8	3,795.4	7.9%	53,094.8	102.0%	54,156.7	102.0%	
Net Expenditures	(34,608.7)	(38,494.1)	(3,885.4)	11.2%	0.0	(38,494.1)	(3,885.4)	11.2%	-	(38,494.1)	(3,885.4)	11.2%	(39,364.7)	102.3%	(40,227.1)	102.3%	
OFF Street																	
Gross Expenditures	70,179.9	77,339.2	7,159.3	10.2%	0.0	77,339.2	7,159.3	10.2%		77,339.2	7,159.3	10.2%	75,191.3	97.2%	76,696.2	97.2%	
Revenue	87,816.9	102,259.5	14,442.6	16.4%	0.0	102,259.5	14,442.6	16.4%	-	102,259.5	14,442.6	16.4%	100,715.1	98.5%	102,639.8	98.5%	
Net Expenditures	(17,637.0)	(24,920.2)	(7,283.3)	41.3%	0.0	(24,920.2)	(7,283.3)	41.3%	-	(24,920.2)	(7,283.3)	41.3%	(25,523.8)	102.4%	(25,943.7)	102.4%	
Bike Share																	
Gross Expenditures	913.1	1,738.1	825.0	90.4%	0.0	1,738.1	825.0	90.4%		1,738.1	825.0	90.4%	1,738.1	100.0%	1,738.1	100.0%	
Revenue	913.1	1,738.1	825.0	90.4%	0.0	1,738.1	825.0	90.4%		1,738.1	825.0	90.4%	1,738.1	100.0%	1,738.1	100.0%	
Net Expenditures	0.0	0.0	0.0		0.0	0.0	0.0		-	0.0	0.0		0.0		0.0		
Total																	
Gross Expenditures	84,742.7	92,637.0	7,894.3	9.3%	0.0	92,637.0	7,894.3	9.3%	-	92,637.0	7,894.3	9.3%	90,659.5	97.9%	92,363.9	49.9%	
Revenue	136,988.4	156,051.3	19,063.0	13.9%	0.0	156,051.3	19,063.0	13.9%	-	156,051.3	19,063.0	13.9%	155,548.0	99.7%	158,534.7	102.0%	
Total Net Expenditures	(52,245.7)	(63,414.3)	(11,168.6)	21.4%	0.0	(63,414.3)	(11,168.6)	21.4%	-	(63,414.3)	(11,168.6)	21.4%	(64,888.5)	99.7%	(66,170.7)	102.0%	
Approved Positions	309.0	309.0	-		-	309.0	-		-	309.0	-		309.0		309.0		

Key Points:

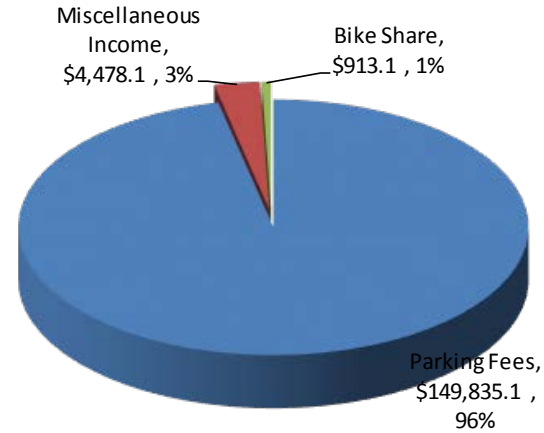
- Income from operations is expected to grow 10.9% over 2016 forecast and 22.1% over the 2016 budget, exceeding the 2.6% target
- Base pressures on revenue from bike lane openings and road restrictions have been offset though pricing increases and new meter locations
- 2017 will focus on IT system improvements and efficiencies to support anticipated growth

2017 Gross Operating Expenditures by Service and Funding Sources

2017 Operating Budget By Service (\$000s)



2017 Operating Budget by Funding Source (\$000s)



2017 Base Budget Pressures

(In \$000s)	2017 Base Operating Budget						Total	
	ON Street		OFF Street		Bike Share			
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Economic Factors								
Corporate EC (Utilities)			300.0				300.0	
Divisional EC								
Salary & Benefit Changes								
COLA/Progression Pay/Step	150.0		150.0				300.0	
Benefits Changes	325.0		325.0				650.0	
Gapping (maintain the 2016 Approved level)							-	
Other Salary & Benefit Adjustments:			525.0	6.6			525.0	6.6
Base Expenditures Changes								
Municipal taxes			4,197.0				4,197.0	
Other	(565.0)		1,662.3				1,097.3	
Total Gross Expenditure Changes	(90.0)		7,159.3	6.6			7,069.3	6.6
Base Revenue Changes +/-								
Anticipated transaction volume and pricing increase impact	3,904.0		14,342.6				18,246.6	
New meter locations	1,000.0						1,000.0	
Bike lanes	(560.0)						(560.0)	
Other road restrictions	(548.6)						(548.6)	
CP closings			(2,406.0)				(2,406.0)	
CP openings			2,506.0				2,506.0	
Total Revenue Changes	3,795.4		14,442.6				18,237.9	
Net Expenditure Changes	(3,885.4)		(7,283.3)	6.6			(11,168.6)	6.6

How To Achieve Target -2.6% Budget Reduction

Key Points:

- TPA has exceeded the 2.6% budget reduction target set for 2017 without service impacts



2017 – 2026 Capital Budget & Plan



Capital Overview

TPA's asset inventory include carpark land, garages, buildings and parking equipment which provide off-street and on-street parking with the following objectives:

- Offer short stay parkers in the City of Toronto a best-in-class parking experience – safe, attractive, convenient, and affordable;
- Provide a city-wide network of environmentally sensitive on-street and off-street community-centric parking locations;
- Apply technology to expand community awareness, enhance customer convenience, and optimize efficiency in operations; and
- Operate at all times in a fiscally responsible way

2016 Capital Performance

2016 Capital Budget Variance – as of June 30

2016 Approved	2016 Actuals as of June 30		2016 Projected Actuals at Year End		2016 Projected Unspent Balance	
\$ Millions	\$ Millions	% Spent	\$ Millions	% Spent	\$ Millions	% Unspent
86.0	12.5	14.5%	73.0	84.8%	13.0	15.2%

Key Points:

- Spend rate is tracking to full year budget
- 2016 capital program meets or exceeds benchmark return for parking space supply delivery

2017 Capital Program Issues

Key Issues and Challenges for 2017 and Beyond

- Rising land and construction costs
- A lengthy approval process
- Implications of On street service / supply reduction for Off street capital plans

Key Objectives and Priority Actions

Objectives:

- Toronto Parking Authority 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.

Key Priority Actions:

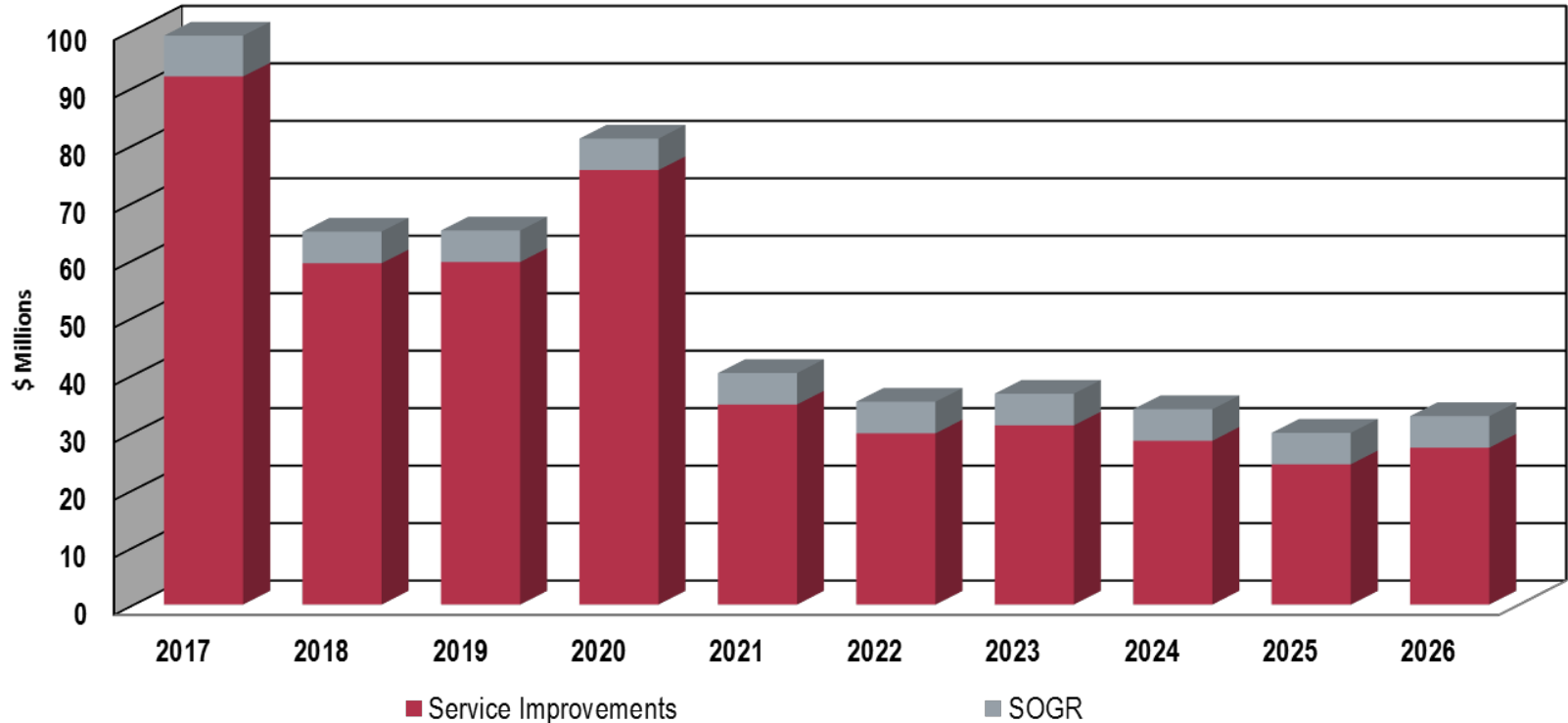
- Toronto Parking Authority actively pursues joint development opportunities with private sector. The 2016-2025 Recommended Capital Budget and Plan includes 14 joint venture projects intended to expand service and intensify land use.
- Expansion of CP1 – addition of levels.
- Mobile payments Phase 2.
- Innovative parking supply solutions (i.e. TTC open cut developments).
- 2016 Green P off-street lot greening initiatives (CP's 3,47,78,85,93, 226).
- Ongoing execution of SOGR maintenance program.
- Continued implementation of Pay-and-Display meter refurbishment program.
- Implementation of Toronto Bikeshare system expansion in partnership with Metrolinx.

2017 – 2026 Recommended Capital Budget and Plan

Summary of Projects in the 10-Year Capital Budget and Plan

	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2017 - 2026 Total
Total Expenditures by Category											
State of Good Repair											
<i>Greening Plus at various Carparks</i>	1.7	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	51.2
<i>Other</i>	5.4	-	-	-	-	-	-	-	-	-	5.4
Sub-Total	7.1	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	56.6
Service Improvements											
<i>Carpark Provisions 2017</i>	10.0										10.0
<i>Redevelopment of CP 217 1445 Bathurst</i>	10.6										10.6
<i>51 Dockside</i>	16.4										16.4
<i>Distillery/ West Donlands</i>	20.0										20.0
<i>PACE Portfolios</i>	21.0										21.0
<i>Replacement Plan for Bikelanes</i>		9.4	9.4	6.5	6.5	3.8	2.0	2.0	2.0	2.0	43.5
<i>CP Provisions due to City Initiatives</i>		10.0	7.2	6.0	6.0	2.5	2.5	1.8			36.0
<i>Carpark Provision - future</i>		10.0	10.0								20.0
<i>Queen/ Soho</i>		10.5									10.5
<i>St. Lawrence Market North</i>			14.5								14.5
<i>CP 15 Redevelopment (JV)</i>				39.2							39.2
<i>Metropolitan/ Church (56 Queen East, 51 Bond)</i>					15.0		10.0				25.0
<i>St. Clair W - CP 41 (7 Norton) Corso Italia</i>						10.9					10.9
<i>Bay/Lakeshore (Downtown Fringe - South)</i>							10.0				10.0
<i>King/Spadina Re-investment Area (W. of Spadina, Portland to Bathurst)</i>								12.5			12.5
<i>Financial District East of University</i>									10.0		10.0
<i>Projects under \$10M</i>	13.9	19.5	18.5	24.0	7.3	12.6	6.7	12.2	12.4	25.3	152.3
Sub-Total	91.9	59.4	59.6	75.6	34.8	29.8	31.2	28.5	24.4	27.3	462.4
Total Expenditures by Category (excluding carry forward)	99.0	64.9	65.1	81.1	40.3	35.3	36.7	34.0	29.9	32.8	519.1

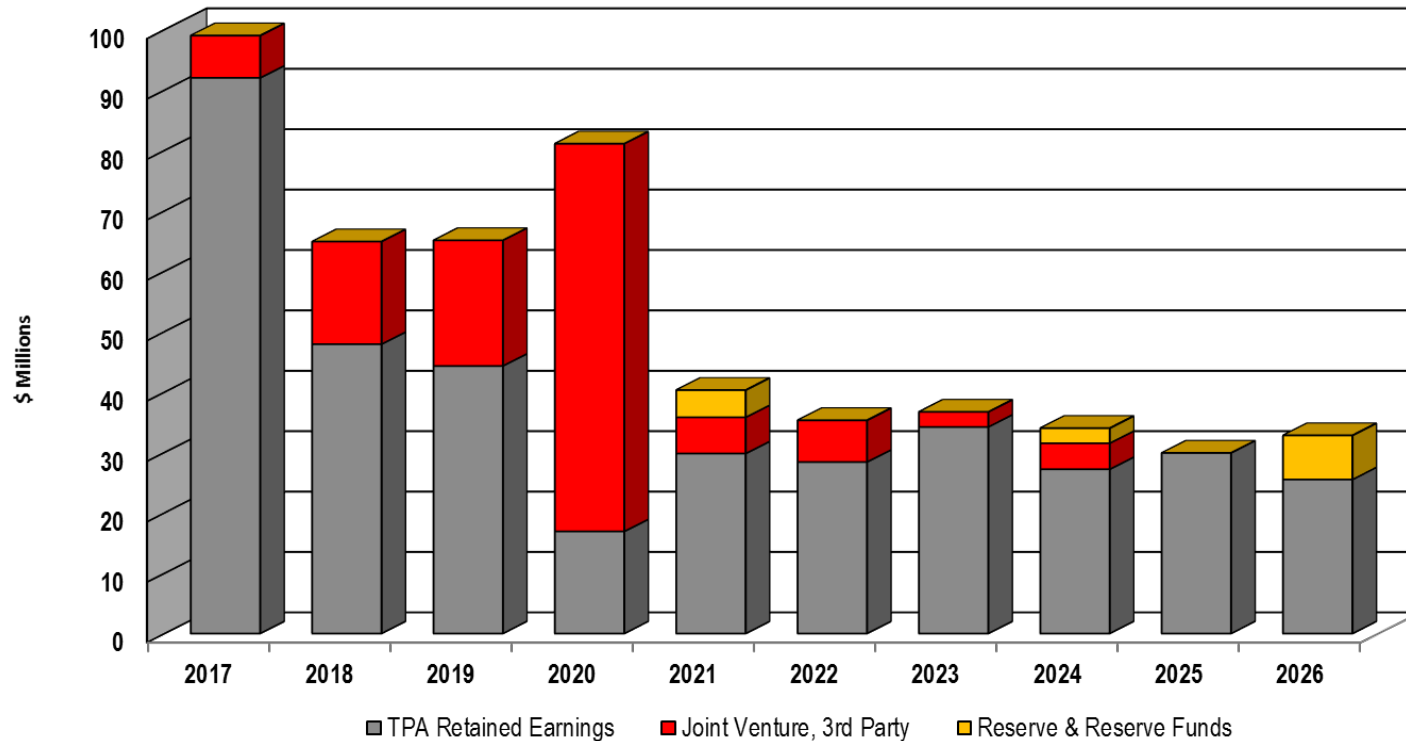
2017 – 2026 Capital Plan by Category



Key Points:

- The 10-Year Recommended Capital Plan balances infrastructure renewal needs and service improvement projects to meet the forecasted increase in demand for off-street parking, while minimizing service interruptions and revenue losses. The Authority's strategic priorities include continued improvements to customer service through innovative solutions, efficient expansion of services via joint partnership.

2017 – 2026 Capital Plan by Funding Source

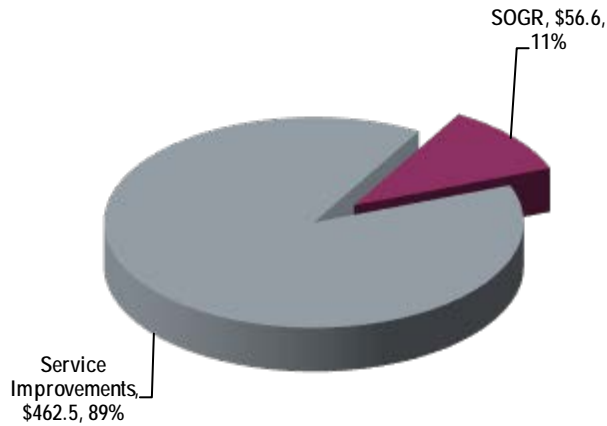


Key Points:

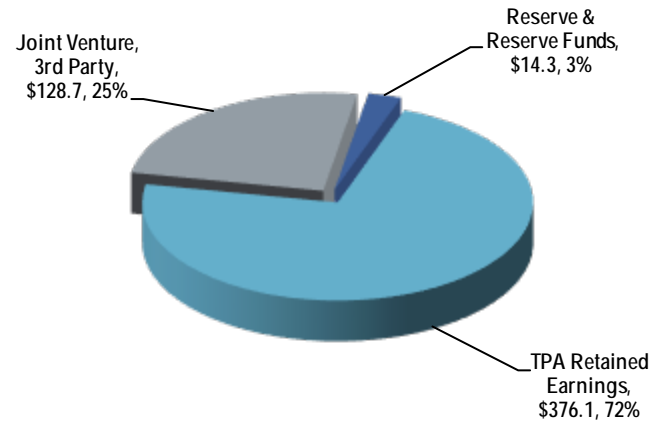
- Toronto Parking Authority is a self-sustaining public corporation owned by the City of Toronto and it supports the municipal property tax levy. The City does not set a debt affordability target for the Authority since its operating and capital investments are funded through current and future retained earnings from user fees; reserve funds; and proceeds from the sale of air rights.
- TPA is funded over the 10 year period assuming there are no further “one-time” dividends requested by the City

2017 Capital Budget by Project Category & Funding Source

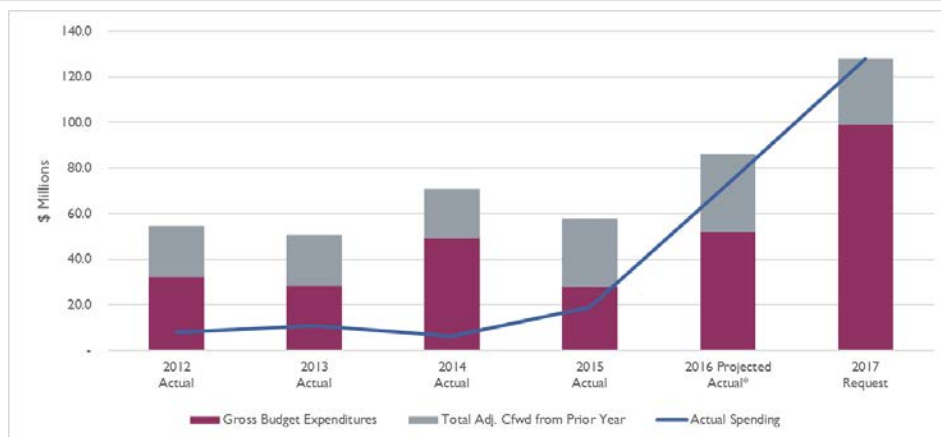
2017
Capital Budget by Project Category
(\$ Millions)



2017
Capital Budget Funding Source
(\$ Millions)



Capacity to Spend - Budget vs. Actual



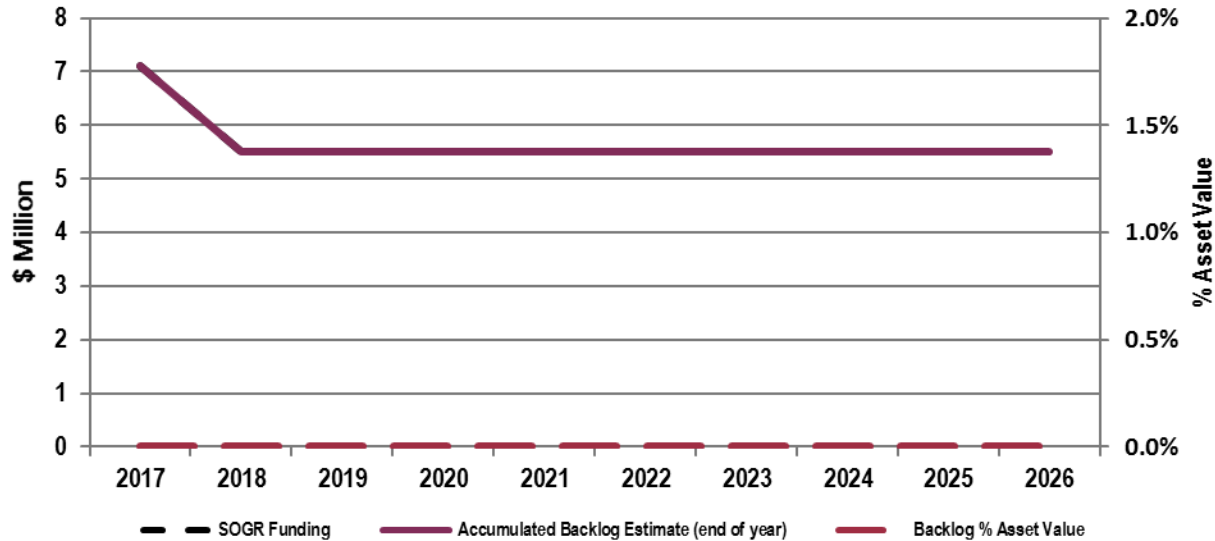
Capital Spending Rates by Category (\$ Millions)

Category (In \$ Millions)	2012			2013			2014			2015			2016		Spending Rate 5 Year 2012-2016 Avg. %	
	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Projected Actual *		Spending Rate %
SOGR	7.5	1.1	14.7%	13.4	4.5	33.6%	13.8	2.6	18.8%	12.5	3.0	24.0%	16.1	12.2	75.8%	37.0%
Service Improvement	47.2	6.9	14.6%	37.2	6.4	17.2%	57.0	3.8	6.7%	45.4	16.1	35.5%	69.9	60.8	87.0%	36.6%
Total	54.7	8.0	14.6%	50.6	10.9	21.5%	70.8	6.4	9.0%	57.9	19.1	33.0%	86.0	73.0	84.9%	36.7%

Key Points:

- Delays resulting from unavailability of appropriate sites
- Delays due to on-going negotiations for identified sites
- Projects that have been cancelled because of the low probability of finding an appropriate site
- Anticipated time lags inherent in joint venture arrangements

State of Good Repair Backlog



% Asset Value Trend Analysis:

- No SOGR backlogs for 2017-2026

Major SOGR Projects:

- Projects include Green P + greening projects; lighting & electrical upgrades; concrete repairs; water-proofing of garage surfaces; painting; fire alarm upgrade at several garages and re-paving of surface carparks throughout the City

Incremental Operating Impact of Capital

Net Expenditures (\$000's)	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2017 - 2026 Total
2017 Requested Capital Budget											
CP 1 - Addition of 2 Levels		680.0									680.0
JV - Redevelopment of CP 217		530.0									530.0
Other under \$500		495.0									495.0
New Carparks											
PACE Portfolios		1,050.0									1,050.0
Distillery/ West Donlands		1,000.0									1,000.0
Arrow/Finch		950.0									950.0
51 Dockside		876.0									876.0
Carpark Provisions 2017		500.0									500.0
Other under \$500		1,553.8									1,553.8
Sub-Total	0.0	7,634.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,634.8
Requested 10-Year Capital Plan											
Joint Venture Projects											
St. Clair W - CP 41 (7 Norton)							545.0				545.0
CP 15 Redevelopment (JV)					1,960.0						1,960.0
Other under \$500			325.0	691.9	1,150.4	0.0	0.0	0.0	125.0	0.0	2,292.3
New Carparks											
King/Spadina Re-investment Area (W. of Spadina, Portland to Bathurst)									625.0		625.0
Bay/ Lakeshore (Downtown Fringe - South)								500.0			500.0
Financial District East of University										500.0	500.0
St. Lawrence Market North				725.0							725.0
Queen/ Soho			540.0								540.0
Metropolitan/ Church (56 Queen East, 51 Bond)								1,250.0			1,250.0
Replacement Plan for Bikelanes			470.0	470.0	323.0	323.0	190.0	100.0	100.0	100.0	2,076.0
CP Provisions due to City Initiatives			500.0	360.0	300.0	300.0	125.0	125.0	90.0		1,800.0
Carpark Provision - future			500.0	500.0							1,000.0
Other under \$500			575.0	0.0	75.0	337.5	600.0	300.0	450.0	600.0	2,937.5
Redevelopment of CP's											
Other under \$500			50.0	220.0	0.0	0.0	0.0	0.0	0.0	0.0	270.0
Sub-Total	0.0	0.0	2,960.0	2,966.9	3,808.4	960.5	1,460.0	2,275.0	1,390.0	1,200.0	17,020.8
Total	0.0	7,634.8	2,960.0	2,966.9	3,808.4	960.5	1,460.0	2,275.0	1,390.0	1,200.0	24,655.6

Key Points:

- Investment in Capital projects drives TPA's Operations
- Schedule represents first year revenue only for proposed projects completed in the prior year

Net Expenditures Returned to the City since 1992



YEAR	Contribution to City			Other Payments to City		TOTAL
	Operating Income	Special Dividend	Sub-total	Property Taxes	Rents	
1992	2,138,140	25,000,000	27,138,140	6,322,000		33,460,140
1993	3,773,206	7,260,055	11,033,261	5,735,000		16,768,261
1994	3,271,147	3,728,854	7,000,001	5,662,000		12,662,001
1995	3,323,295	8,676,705	12,000,000	6,296,000		18,296,000
1996	2,000,000	12,935,000	14,935,000	6,393,000		21,328,000
1997	4,754,865	-	4,754,865	6,646,000		11,400,865
1998	9,284,426	16,136,514	25,420,940	7,406,000	320,000	33,146,940
1999	16,632,356	14,000,000	30,632,356	7,451,000	500,000	38,583,356
2000	25,766,438	-	25,766,438	7,647,000	500,000	33,913,438
2001	25,947,675	-	25,947,675	13,045,284	725,000	39,717,959
2002	28,736,417	-	28,736,417	13,916,862	850,000	43,503,279
2003	29,255,514	-	29,255,514	13,395,907	940,000	43,591,421
2004	34,265,783	2,000,000	36,265,783	13,250,489	800,000	50,316,272
2005	30,608,259	-	30,608,259	13,018,111	700,000	44,326,370
2006	32,719,027	-	32,719,027	14,122,927	900,000	47,741,954
2007	34,710,323	-	34,710,323	14,844,997	1,300,000	50,855,320
2008	53,175,677	20,000,000	73,175,677	15,034,213	1,700,000	89,909,890
2009	45,888,095	10,000,000	55,888,095	15,419,536	1,700,000	73,007,631
2010	59,293,443	-	59,293,443	18,097,007	1,700,000	79,090,450
2011	42,749,302	-	42,749,302	19,019,000	1,700,000	63,468,302
2012	43,583,890	12,000,000	55,583,890	18,358,000	1,700,000	75,641,890
2013	44,906,555	-	44,906,555	18,771,041	2,098,000	65,775,595
2014	43,705,912	639,000	44,344,912	19,849,426	2,297,000	66,491,338
2015	42,701,132	74,755,729	117,456,861	20,896,787	2,023,692	140,377,340
2016 Est	42,594,494	4,227,900	46,822,394	22,475,190	2,100,000	71,397,583
2017 Budget	47,474,658	16,980,000	64,454,658	19,459,681	2,142,000	86,056,339
TOTAL	753,260,029	228,339,757	981,599,786	342,532,458	26,695,692	1,350,827,935

