

Budget Committee

| | | | | |
|---------------|--------|---------|--|-----------|
| BU35.4 | ACTION | Adopted | | Ward: All |
|---------------|--------|---------|--|-----------|

2022 Rate Supported Budgets - Toronto Parking Authority

Confidential Attachment - Contains security of property belonging to the City or one of its agencies or corporations, labour relations or employee negotiations, and personal matters about identifiable individuals, including municipal or local board employees

Committee Decision

The Budget Committee recommends that:

Operating and Capital Budgets

1. City Council approve the 2022 Operating Budget for Toronto Parking Authority of \$105.9 million gross, \$120.3 million revenue and (\$14.4 million) net for the following services:

| Service: | Gross Expenditures (\$000s) | Revenue (\$000s) | Net Expenditures (\$000s) |
|---------------------------------|--------------------------------|---------------------|------------------------------|
| On-Street Parking | 10,256.7 | 45,793.2 | (35,536.5) |
| Off-Street Parking | 85,235.1 | 66,389.6 | 18,845.5 |
| Bike Share | 10,407.9 | 8,118.4 | 2,289.5 |
| Total Program Budget | 105,899.7 | 120,301.2 | (14,401.4) |

2. City Council approve the 2022 staff complement for Toronto Parking Authority of 326.5 operating positions.

3. City Council approve 2022 Capital Budget for Toronto Parking Authority with cash flows and future year commitments totaling \$132.6 million as detailed by project in Appendix 6a to the 2022 Staff Recommended Capital and Operating Budget Notes - Toronto Parking Authority.

4. City Council approve the 2023-2031 Capital Plan for Toronto Parking Authority totalling \$68.9 million in project estimates as detailed by project in Appendix 6b to the 2022 Staff Recommended Capital and Operating Budget Notes - Toronto Parking Authority.

5. City Council direct the Chief Financial Officer and Treasurer, in consultation with the President of Toronto Parking Authority, to report to the Budget Committee on an updated Income Sharing Renewal Agreement no later than December 31, 2022.

6. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2022 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

Service Levels

7. City Council approve the 2022 service levels for Toronto Parking Authority as outlined in Appendix 1 to the report (November 3, 2021) from the President, Toronto Parking Authority.

8. City Council direct that Confidential Attachment 1 to the report (September 10, 2021) from the President, Toronto Parking Authority remain confidential in its entirety, as it pertains to personal matters about identifiable individuals, including municipal or local board employees, and labour relations or employee negotiations, and the security of property belonging to the City or one of its agencies or corporations.

Origin

(November 3, 2021) Report from the President, Toronto Parking Authority

Summary

This report provides the recommended 2022 Service Levels for Toronto Parking Authority in comparison to service levels planned and achieved from 2019 to 2021.

Service levels have historically been presented in the Budget Notes for each Program/Agency for review by Budget Committee and approval by City Council. Beginning in 2020, as part of the budget modernization project, service levels were provided in a separate document in an effort to deliver a more efficient and simplified budget process that will create greater opportunities for public participation through inclusive and outcome focused budget materials.

Background Information

(November 3, 2021) Report and Appendix 1 from the President, Toronto Parking Authority on Recommended 2022 Service Levels - Toronto Parking Authority

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172813.pdf>)

2022 Staff Recommended Capital and Operating Budget Notes - Toronto Parking Authority

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172826.pdf>)

2022 Report 7C - Toronto Parking Authority

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172827.pdf>)

Notice of Public Meeting - Toronto Parking Authority - 2022 Recommended Operating Budget, 2021 Recommended Capital Budget and 2022-2030 Recommended Capital Plan

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172828.pdf>)

4a Toronto Parking Authority Board Decision Letter - 2022 Operating Budget and 2022-2031 Capital Budget

Confidential Attachment - Contains security of property belonging to the City or one of its agencies or corporations, labour relations or employee negotiations, and personal matters about identifiable individuals, including municipal or local board employees

Origin

(September 29, 2021) Letter from the Board of Directors of Toronto Parking Authority

Summary

At its meeting on September 29, 2021, The Board of Directors of Toronto Parking Authority considered [Item PA26.2](#) and forwarded its Budget to City Council.

Summary from the report (September 10, 2021) from the President, Toronto Parking Authority:

Management is forecasting a full year 2021 net income loss of \$(9.5) million; \$(7.3) million worse than budget and a decline of \$(85.1) million compared to pre-pandemic 2019 net income. Operating revenues forecasted at \$78.5 million, or \$(12.5) million worse than budget, following transaction volume declines of -23 percent versus prior year and -51 percent versus 2019. Cash reserves at the end of 2021 are forecasted to be \$51.5 million due to management's continued focus on cash preservation and to ensure Toronto Parking Authority's operational obligations can be met; Toronto Parking Authority reserves are planned to be fully utilized in 2024. As directed by City Council, Toronto Parking Authority will provide a \$12 million dividend to the City of Toronto in 2021. These funds will be sourced through Toronto Parking Authority's cash reserves.

In 2022, Management is planning full year net income of \$14.4 million with revenue improving to 72 percent of pre-pandemic (2019) levels. This net income will trigger a \$12.2 million dividend to the City and has been included in Toronto Parking Authority's budgeted 2022 cash reserves forecast. Financially, and despite an improving top-line operating environment, Management will remain focused on driving cost productivity and cash preservation. Operationally, Management will be maniacally focused on delivering our five strategic platforms: Build a Great Place to Work, Strengthen the Core, Accelerating Growth and Financial Sustainability, Connecting with our Customers, and Engage and Innovating with our Strategic City Partners.

Critical projects identified within our strategic framework for 2022 include Talent Development, Health and Safety, fast tracking the deployment of Toronto Parking Authority's Electric Vehicle Charing Infrastructure, accelerating expansion of the Bike Share program, and development and execution of our asset management plan.

This report also provides an executive summary of the On and Off-street rate reviews and responds to City Council direction for Toronto Parking Authority to carry out a market rate analysis of parking rate adjustments in coordination with the annual budget process.

Background Information

(September 29, 2021) Letter from the Board of Directors of Toronto Parking Authority on Toronto Parking Authority - 2022 Operating Budget and 2022-2031 Capital Budget (<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172523.pdf>)

(September 10, 2021) Report from the President, Toronto Parking Authority on Toronto Parking Authority - 2022 Operating Budget and 2022-2031 Capital Budget

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172524.pdf>

Attachment 1 - Budget TO 2022 Budget Submission - Toronto Parking Authority

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172506.pdf>

Attachment 2 - Off-Street Rate Review

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172525.pdf>

Attachment 3 - On-Street Rate Review

<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172526.pdf>

Confidential Attachment 1