



Toronto 2016 BUDGET

OPERATING BUDGET NOTES



Toronto Parking Authority

2016 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

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$84.743 million gross, which will generate revenue of \$136.988 million, as shown below.

(in \$000's)	2015 Approved Budget	2016 Rec'd Budget	Change	
			\$	%
Gross Expenditures	81,983.8	84,742.6	2,758.8	3.4%
Gross Revenues	134,229.4	136,988.4	2,759.0	2.1%
Net Expenditures	(52,245.6)	(52,245.8)	0.2	(0.0%)

Moving into 2016, the Toronto Parking Authority was facing a net pressure of \$5.259 million due mainly to reduced on-street parking revenue, inflationary increases in non-labour costs and cost of living increases for staff. The TPA was able to offset these pressures through parking rate increases, additional revenues generated through the opening of new car parks and efficiencies achieved as a result of mobile payment technology.

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Fast Facts

- 21,500 off-street spaces in over 200 facilities.
- 19,600 on-street spaces.
- 17,000 spaces operated for third parties, mainly for Toronto Transit Commission (TTC), Forestry and Recreation Program and Toronto Community Housing Corporation.
- The Bike Share system fleet has approximately 1,000 bicycles and 80 stations.

Trends

- 2010 through 2013 have seen increases 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.
- The continued utilization of new technologies is expected to return a greater income per parking space in future years.

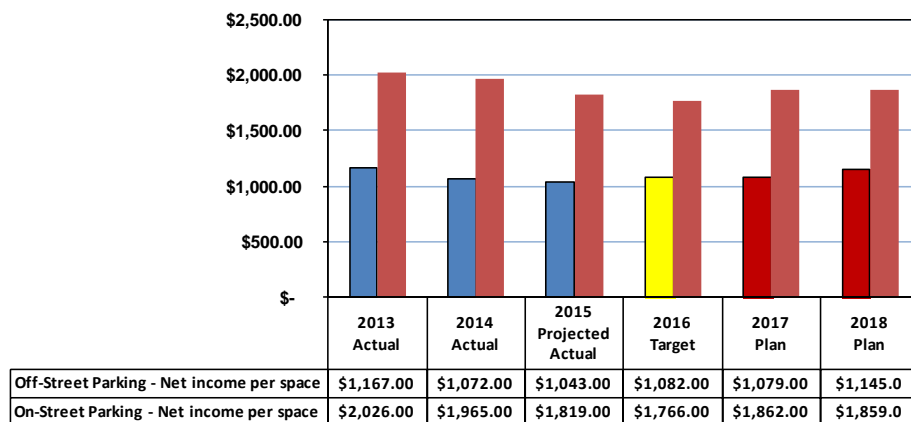
Our Service Deliverables for 2016

Toronto Parking Authority offers safe, attractive, clean, convenient, well-maintained, affordable off-street and on-street parking in support of the continued prosperity of the City's communities. TPA also provides convenient access to high quality well maintained bicycle rentals to use for urban cycling on a short term basis.

The 2016 Recommended Operating Budget will:

- Continue to manage an estimated 19,600 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters.
- Maintain approximately 21,500 off-street spaces, which include 12 attended lots, 13 fully automated garages, and 180 unattended lots.
- Continue to operate, on behalf of the Toronto Transit Commission, roughly 13,695 spaces at their park-and-ride facilities and parking lots.
- Continue to manage an additional 3,367 spaces 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.
- Manage the Toronto Bike Share Program which has 1,000 bicycles utilizing 80 stations throughout the City.

Net Income Per Space

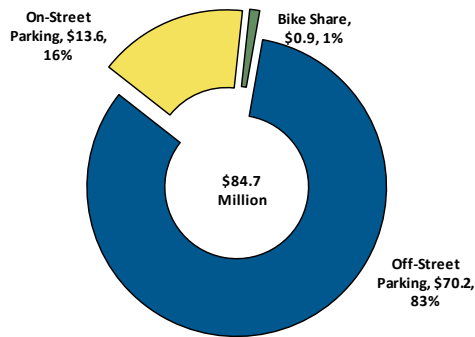


2016 Operating Budget Expenses & Funding

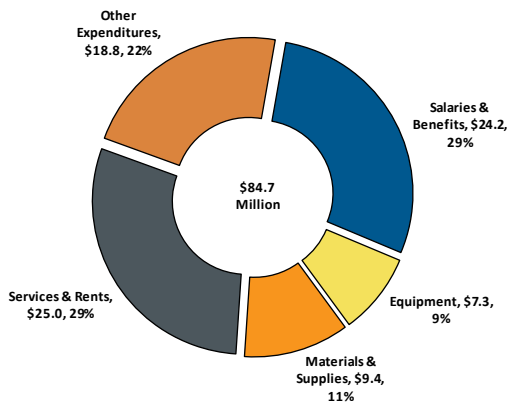
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

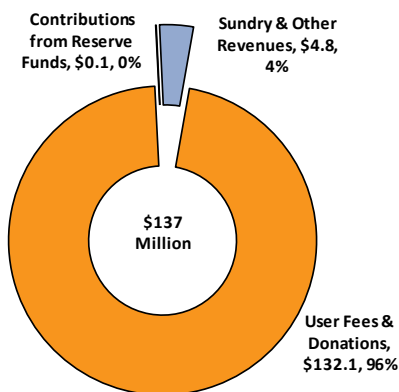


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- Innovative and efficient expansion of Services by utilizing new technologies.
- ✓ The 2016 Recommended Budget continues to allocate 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, loss of on-street spaces 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.
- Satisfying short-term parking needs in an environment of increasing land and development costs
- ✓ Leverage land values through Joint Venture redevelopment with private and public sectors as a means of funding an increase in parking supply.

2016 Operating Budget Highlights

The 2016 Recommended Operating Budget of \$84.743 million will enable TPA to:

- Continue to manage, operate and maintain estimated 19,600 on-street (\$11.143 million), 36,600 off street parking spaces (\$68.473 million) and the Bike Share Program (\$0.913 million) with a fleet of 1,000 bicycles utilizing 80 stations.
- Roll out of mobile payment application for on-street parking (\$0.850 million).
- Maintain Payment Card Industry (PCI) compliance (\$0.142 million).
- Replace paper based monthly permit system with a digital system and provide enhanced customer self-serve payment and renewal options (\$0.075 million).

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2016 Recommended Operating Budget for Toronto Parking Authority of \$84.743 million gross, (\$52,245.8) million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Off-Street Parking	70,179.9	(17,637.0)
On-Street Parking	13,649.6	(34,608.8)
Bike Share	913.1	0.0
Total Program Budget	<u>84,742.6</u>	<u>(52,245.8)</u>

2. City Council approve the 2016 recommended service levels for the Toronto Parking Authority as outlined on pages 13, 16, and 18 of this report, and associated staff complement of 302.4 positions.
3. City Council approve the 2016 recommended maximum delgated market rate user fee change for Toronto Parking Authority identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council direct the President of the Toronto Parking Authority and the General Manager of Transportation Services to explore opportunities to increase On-Street parking spaces in the City of Toronto.
5. City Council direct the Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority to report to Budget Committee on an updated Income Sharing Renewal Agreement no later than April 30, 2016, and that the existing Income Sharing Agreement with the Toronto Parking Authority which expires on December 31, 2015, be extended until such time as Council considers an updated Income Sharing Agreement.

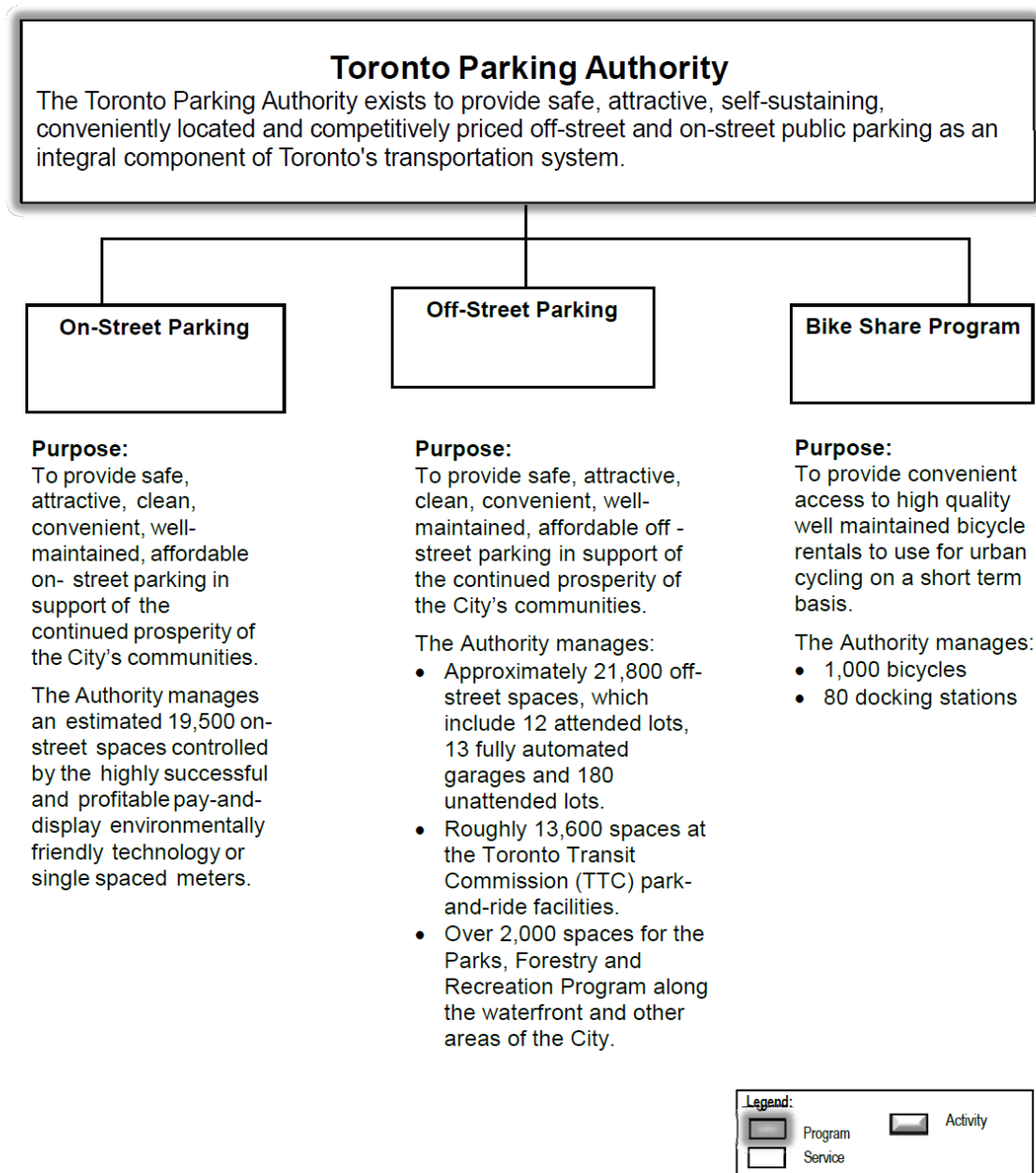


Part I:

2016 – 2018

Service Overview and
Plan

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

Table 1
2016 Recommended Operating Budget and Plan by Service

(In \$'000s)	2015		2016 Recommended Operating Budget					Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Rec'd Base	2016 Rec'd New/Enhanced	2016 Rec'd Budget	2016 Rec.d vs. 2015 Budget Approved		2017		2018	
						Changes	%	\$	%	\$	%
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Off-Street Parking											
Gross Expenditures	67,391.5	68,690.0	70,179.9		70,179.9	2,788.4	4.1%	(25.3)	(0.0%)	(1,520.2)	(2.2%)
Revenue	84,918.0	87,186.8	87,816.9		87,816.9	2,898.9	3.4%				
Net Expenditures	(17,526.5)	(18,496.8)	(17,637.0)		(17,637.0)	(110.5)	0.6%	(25.3)	0.1%	(1,520.2)	8.6%
On-Street Parking											
Gross Expenditures	13,679.2	11,993.4	13,649.6		13,649.6	(29.6)	(0.2%)	(1,880.5)	(13.8%)	53.3	0.5%
Revenue	48,398.3	48,398.3	48,258.4		48,258.4	(139.9)	(0.3%)				
Net Expenditures	(34,719.1)	(36,404.9)	(34,608.9)		(34,608.9)	110.3	(0.3%)	(1,880.5)	5.4%	53.3	(0.1%)
Bike Share											
Gross Expenditures	913.1	913.1	913.1		913.1	-					
Revenue	913.1	913.1	913.1		913.1	-					
Net Expenditures	-	-	-		-	-	-	-	-	-	-
Total											
Gross Expenditures	81,983.8	81,596.5	84,742.6		84,742.6	2,758.8	3.4%	(1,905.8)	(2.2%)	(1,466.9)	(1.8%)
Revenue	134,229.4	136,498.2	136,988.4		136,988.4	2,759.0	2.1%				
Total Net Expenditures	(52,245.6)	(54,901.7)	(52,245.8)		(52,245.8)	(0.2)	0.0%	(1,905.8)	3.6%	(1,466.9)	2.7%
Approved Positions	299.4	299.4	302.4		302.4	3.0	1.0%				

The Toronto Parking Authority's 2016 Recommended Total Operating Budget is \$84.743 million gross and (\$52.246) million in net revenue, representing no change from the 2015 Approved Net Operating Budget.

- Base pressures of \$5.259 million are mainly attributable to non-labour inflationary increases (\$0.996 million) and inflationary increases in salaries and benefits (\$0.900 million), which are common to both *Off-Street and On-Street Parking Services*, as well as increased rent costs for *Off-Street* carparks (\$2.256 million) and a general decrease in revenue generated from *On-Street* parking (\$1.202 million).
- To fully offset the above pressures, the Program was able to achieve service efficiency savings of \$0.044 million through efficiencies achieved as a result of mobile payment technology, as well as \$5.214 million in additional revenues generated from parking rate and hour of operation increases, which were approved by Council in September 2015 and the opening of new carparks.
- Approval of the 2016 Recommended Operating Budget will result in Toronto Parking Authority increasing its total staff complement by 3 positions from 299.4 to 302.4.
- The 2017 and 2018 Plans reflect savings predominately attributable to reduced expenditures in 2017 following the completion of the refurbishment of Pay and Display parking machines in 2016 (\$1.343 million) and reduced 2018 expenditures as rent payments for carpark 15 will not be required beyond 2017 (\$1.560 million).

Table 2
Key Cost Drivers

(In \$000s)	2016 Recommended Operating Budget						2016 Rec'd Base Budget	
	Off-Street Parking		On-Street Parking		Bike Share		Total	
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Economic Factors								
Corporate Economic Factors	878.3		117.7				996.0	
COLA and Progression Pay								
Salaries	600.8	3.0	46.5				647.3	3.0
Benefits	225.5		27.0				252.5	
Other Base Changes								
Rent paid for CP 15 to purchaser/ developer	1,560.0						1,560.0	
Rent of 3 new managed lots opened in 2015	696.0						696.0	
Reduced property taxes from CP 15 sale	(1,333.4)						(1,333.4)	
Other factors	(82.7)		(68.9)				(151.6)	
Total Gross Expenditure Changes	2,544.5	3.0	122.3				2,666.8	3.0
Revenue Changes								
General increase/ (decrease) in downtown core	1,347.4		(1,202.1)				145.3	
Closures of Carparks	(1,770.7)						(1,770.7)	
Decrease in Sundry revenue	(671.9)						(671.9)	
Net Others	143.6		(437.9)				(294.3)	
Total Revenue Changes	(951.6)		(1,640.0)				(2,591.6)	
Net Expenditure Changes	3,496.1		1,762.3				5,258.5	3.0

Key cost drivers for Toronto Parking Authority are discussed below:

- Economic Factors:
 - Inflationary increases to non-labour costs impacting two services are mainly for materials & supplies (\$0.200 million), services and rents (\$0.183 million), and other costs including municipal taxes (\$0.612 million) resulting in additional pressure of \$0.996 million.
- COLA, Progression Pay and Other Salary & Benefit Changes:
 - \$0.900 million is required to fund inflationary increases in salaries and benefits and the addition of 3 positions for technical support and software development for IT.
- Other Base Changes:
 - *Off-Street Parking* service experienced higher rent costs mainly resulting from the sale of carpark 15 and new carpark lots opened in 2015 requiring an additional \$2.256 million in 2016 for this service.
 - The gross expenditure pressures for *Off-Street Parking* are partially offset by reduced property tax expenses following the sale of air rights for carpark 15.

Revenue Changes:

- In spite of an estimated general increase in parking usage in the downtown core for off-street parking, Toronto Parking Authority is facing revenue losses associated with the closure of certain existing off-street parking facilities to accommodate other City's development priorities, reduced interest income and reduced on-street parking revenue primarily attributed to on-going road closures for construction, reduced hours of on-street parking and reduced on-street parking spaces, resulting in a total revenue reduction of \$2.592 million.

In order to offset the above net pressures, the 2016 recommended service changes for Toronto Parking Authority consists of base revenue changes of \$5.214 million and service efficiency savings of \$0.044 million net, for a total net savings of \$5.259 million or 10.1%, as detailed below.

Table 3
2016 Total Recommended Service Change Summary

Description (\$000s)	2016 Recommended Service Changes						Total Rec'd Service Changes			Incremental Change			
	Off-Street Parking		On-Street Parking		Bike Share		\$	\$	#	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Revenue Changes													
<i>User Fee Rate Increase</i>		(2,840.0)		(1,500.0)				(4,340.0)					
<i>Opening of New Carparks</i>		(874.1)						(874.1)					
Base Revenue Change		(3,714.1)		(1,500.0)				(5,214.1)					
Sub-Total		(3,714.1)		(1,500.0)				(5,214.1)					
Service Efficiencies													
<i>Ticket expense decrease due to mobile payment usage</i>	(15.1)	(15.1)	(29.3)	(29.3)			(44.4)	(44.4)					
Sub-Total	(15.1)	(15.1)	(29.3)	(29.3)			(44.4)	(44.4)					
Total Changes	(15.1)	(3,729.2)	(29.3)	(1,529.3)			(44.4)	(5,258.5)					

Base Revenue Changes (Savings of \$5.214 million net)

Opening of New Carparks

- The opening of new carpark facilities will generate increased off-street parking revenues of \$0.874 million in 2016.

User Fee Rate Increases

- An increase in rate revenue for On-Street and Off-Street parking of \$4.340 million is planned in 2016, arising from approved changes in hourly rates and hours of operation as adopted by City Council on September 30, 2015 following consideration of the report entitled, ***Changes to the On-Street Parking Rates and Hours of Operation (GM6.24)*** and user rate increases in Off-Street parking facilities.

Service Efficiencies (Savings of \$0.044 million gross & \$0.044million net)

Ticket Expense

- The 2016 Recommended Operating Budget includes \$0.044 million in efficiency savings arising from the increase in mobile payment usage, resulting in an anticipated lower usage of tickets, decreasing the TPA's ticket expense budget by \$0.044 million.

Approval of the 2016 Recommended Budget for Toronto Parking Authority will result in a 2017 incremental net revenue increase of \$1.906 million and a further 2018 incremental net revenue increase of \$1.467 million, while maintaining 2016 service levels, as discussed in the following section:

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Economic Factors	142.9		142.9	(0.3%)		42.7		42.7	(0.1%)	
Other Base Changes										
Rent CP 15 paid to purchaser/ developer						(1,560.0)		(1,560.0)	2.9%	
Rent CP 262 closure	(311.4)		(311.4)	0.6%						
Enhanced Services Mobile payment signs in completed in 2016	(850.0)		(850.0)	1.6%						
P&D refurbishment program completed in 2016	(1,342.7)		(1,342.7)	2.6%						
Sub-Total	(2,361.2)		(2,361.2)	4.5%		(1,517.3)		(1,517.3)	2.8%	
Anticipated Impacts:										
Other Base Changes										
Rent increase due to new lots	18.2		18.2	(0.0%)		18.7		18.7	(0.0%)	
Maintenance costs and other costs	437.2		437.2	(0.8%)		31.6		31.6	(0.1%)	
Sub-Total	455.3		455.3	(0.9%)		50.3		50.3	(0.1%)	
Total Incremental Impact	(1,905.8)		(1,905.9)	3.6%		(1,467.0)		(1,467.0)	2.7%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Future year increases for non-labour related costs are based on past experience and determined as an overall percentage of those expenses. They account for \$0.143 million and \$0.043 million in increased costs for 2017 and 2018 respectively.
- Annualized impact of prior enhanced services will result in future cost decreases. The closure of carpark 262 will reduce costs in 2017 and the closure of carpark 15 will reduce costs in 2018 with no future impacts. The Mobile Phone Payment Signage enhancement and P&D Refurbishment Program are to be completed in 2016 and therefore represent costs that not continue in 2017.

Anticipated Impacts:

- Higher rent increases due to new lots and higher maintenance costs to perform more in-house maintenance are anticipated for 2017 and 2018.



Part II:

2016 Recommended
Budget by Service

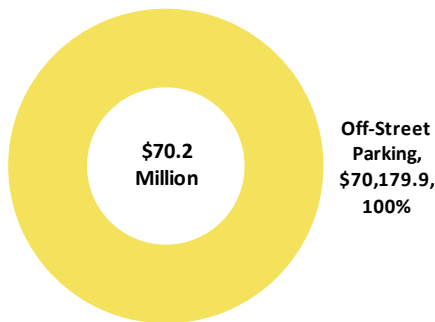
Off-Street Parking



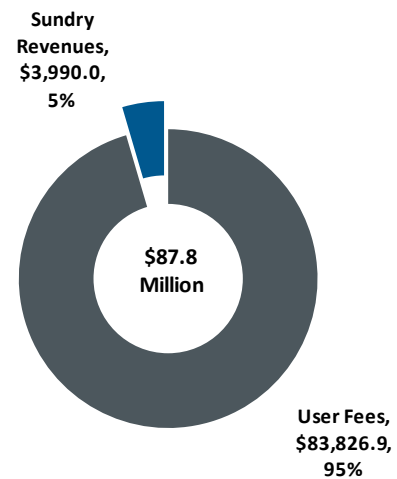
What We Do

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

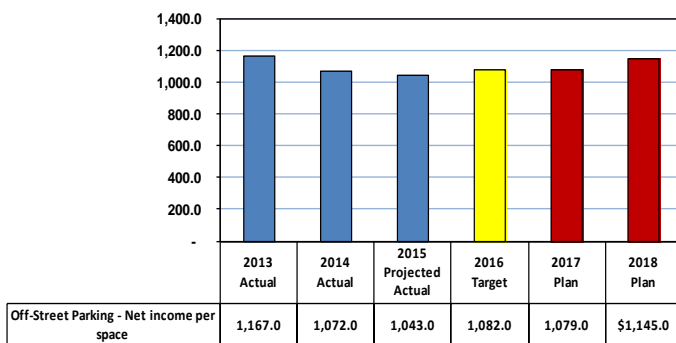
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Off-Street Parking – Net Income Per Space



- Starting in 2013 net income per space is on a decline.
- The ability to maintain historical off-street profit margins become more difficult as operating costs continued to grow and more lower-margin managed carparks are added to the portfolio.
- In addition, parking revenues were on a downward trend due to closure of carparks for maintenance and to accommodate other City's development priorities.
- 2016 target is showing slight sign of recovery from 2015 projected actual.

**2016 Service Levels
Off-Street Parking**

Activity	Sub-Activity/Type	Status	2013			2014			2015			Recommended 2016	
			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%-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%-90% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas	85% occupancy of available spaces in established areas	
Off-Street Parking	Surface Car Parks	Approved										85% occupancy of available spaces in established areas	
	Parking Garages	Approved										85% occupancy of available spaces in established areas	

The 2016 Recommended Service Levels for Off-Street parking are increased by 5% from the approved 2015 Service Levels, to accurately demonstrate the increase in TPA’s service levels for 2016.

**Table 6
2016 Recommended Service Budget by Activity**

(\$000s)	2015		2016 Recommended Operating Budget							Incremental Change				
	Approved Budget	Base Budget	Rec'd Service Changes	2016 Rec'd Base	Rec'd Base Budget vs. 2015 Budget		Rec'd New/Enhanced	2016 Rec'd Budget	2016 Rec'd Budget vs. 2015 Budget		2017 Plan		2018 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Off-Street Parkig	67,391.5	70,195.0	(15.1)	70,179.9	2,788.4	4.1%		70,179.9	2,788.4	4.1%	(25.3)	0.0%	(1,520.2)	(2.2%)
Total Gross Exp.	67,391.5	70,195.0	(15.1)	70,179.9	2,788.4	4.1%		70,179.9	2,788.4	4.1%	(25.3)	0.0%	(1,520.2)	(2.2%)
REVENUE														
Off-Street Parkig	84,918.0	84,382.5	3,434.4	87,816.9	2,898.9	3.4%		87,816.9	2,898.9	3.4%				
Total Revenues	84,918.0	84,382.5	3,434.4	87,816.9	2,898.9	3.4%		87,816.9	2,898.9	3.4%				
NET EXP.														
Off-Street Parkig	(17,526.5)	(14,187.5)	(3,449.5)	(17,637.0)	(110.5)	0.6%		(17,637.0)	(110.5)	0.6%	(25.3)	0.1%	(1,520.2)	8.6%
Total Net Exp.	(17,526.5)	(14,187.5)	(3,449.5)	(17,637.0)	(110.5)	0.6%		(17,637.0)	(110.5)	0.6%	(25.3)	0.1%	(1,520.2)	7.9%
Approved Positions	299.4	302.4		302.4	3.0	1.0%		302.4	3.0	1.0%	0.0%			0.0%

The **Off-Street Parking Service** provides approximately 21,500 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 17,062 parking spaces for other City programs such as TTC, Parks, Forestry and Recreation and along waterfront and other areas of the City.

The Off-Street Parking's 2016 Recommended Operating Budget of \$70.178 million gross and (\$17.637) million net is \$0.111 million or 0.6% under the 2015 Approved Net Budget.

In addition to base budget pressures common across all services, pressures unique for Off-Street Parking are primarily due to higher rental costs for new parking lots opened in 2015 and the continued operation of carpark 15 purchased by the developer (\$2.256 million). These gross expenditure pressures were partially offset by the reduction in property taxes due to sale of carpark 15 (\$1.333 million).

To offset the pressures noted above, the 2016 recommended service changes for the Off-Street Parking Service consists of service efficiency savings of \$0.015 million and revenue changes of \$3.714, as detailed below:

User Fee Rate Increase (additional revenue of \$2.840 million net)

- Increase in rate revenue arising from approved changes in user rate increases in Off-Street parking facilities.

Opening of New Carparks (new revenue of \$0.874 million net)

- The Recommended 2016 Operating Budget includes new revenue realized from new parking lots opened in 2015 in the amount of \$0.874 million.

Ticket Expense Decrease (savings of \$0.015 million gross \$0.015 million net)

- Increase in mobile payment usage, resulting in the anticipated lower usage of tickets, decreases the Off-Street parking ticket expense budget by \$0.015 million.

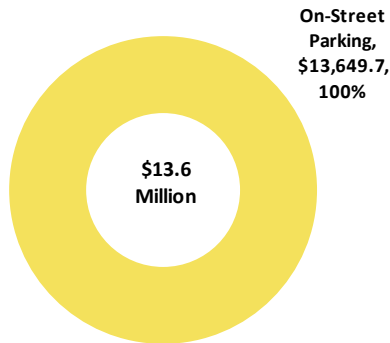
On-Street Parking



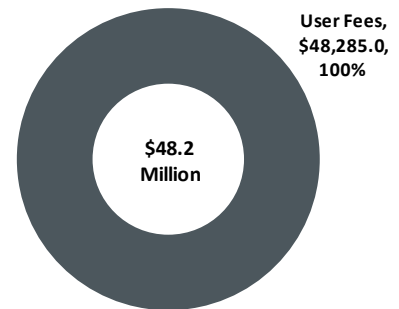
What We Do

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

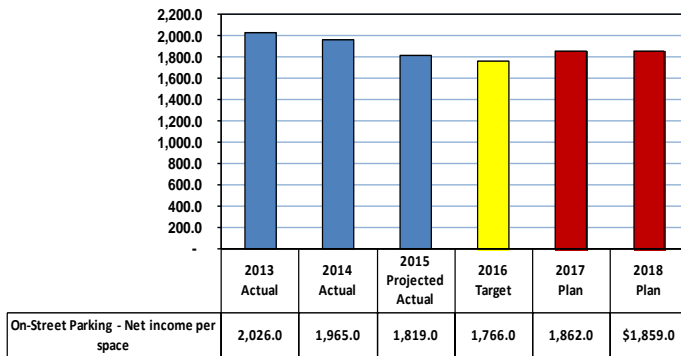
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



On Street Parking – Net Income Per Space



- Net income per on-street parking space has grown since 2009. However, since 2014 revenues are on decline, as a result of converting hours of available operation to 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.

**2016 Service Levels
On-Street Parking**

Activity	Sub-Activity/Type	Status	2013	2014	2015	Recommended 2016
			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 2016 Recommended Service Levels are consistent with the approved 2015 Service Levels.

**Table 6
2016 Recommended Service Budget by Activity**

(\$000s)	2015	2016 Recommended Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Rec'd Service Changes	2016 Rec'd Base	Rec'd Base Budget vs. 2015 Budget	% Change	Rec'd New/Enhanced	2016 Rec'd Budget	2016 Rec'd Budget vs. 2015 Budget		2017 Plan		2018 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
On-Street Parking	13,679.2	13,679.0	(29.3)	13,649.7	(29.5)	(0.2%)		13,649.7	(29.5)	(0.2%)	(1,880.5)	-13.8%	53.3	0.5%	
Total Gross Exp.	13,679.2	13,679.0	(29.3)	13,649.7	(29.5)	(0.2%)		13,649.7	(29.5)	(0.2%)	(1,880.5)	-13.8%	53.3	0.5%	
REVENUE															
On-Street Parking	48,398.3	48,398.3	(140.0)	48,258.3	(140.0)	(0.3%)		48,258.3	(140.0)	(0.3%)					
Total Revenues	48,398.3	48,398.3	(140.0)	48,258.3	(140.0)	(0.3%)		48,258.3	(140.0)	(0.3%)					
NET EXP.															
On-Street Parking	(34,719.1)	(34,719.3)	110.7	(34,608.6)	110.5	(0.3%)		(34,608.6)	110.5	(0.3%)	(1,880.5)	5.4%	53.3	(0.1%)	
Total Net Exp.	(34,719.1)	(34,719.3)	110.7	(34,608.7)	110.5	(0.3%)		(34,608.7)	110.5	(0.3%)	(1,880.5)	5.4%	53.3	(0.1%)	
Approved Positions	35.0	35.0		35.0				35.0				0.0%		-	

The **On-Street Parking Service** provides approximately 19,600 safe, attractive, clean, convenient, well-maintained, affordable on-street parking spaces in support of the continued prosperity of the City's communities.

The On-Street Parking's 2016 Recommended Operating Budget of \$13.650 million gross and (\$34.609) million net revenue is \$0.111 million or 0.3% over the 2015 Approved Net Budget.

In addition to base budget pressures common across all services (totalling \$0.191 million for On-Street parking), the On-Street Parking Service reflects reduced experienced reduction in base budget pressure of \$0.069 million mainly for materials and supplies expenses, resulting from lower ticket usage caused by increased usage of mobile payment technology.

This Service is budgeting revenue losses (\$1.547 million net) mainly due to a decrease in hours of available operation impacting the usage of on-street parking in the downtown core (\$1.202 million). Other City road uses such as food trucks, motorcycles, introduction of bike lanes and on-going City wide construction resulted in further reduction of on-street parking revenues (\$0.438 million).

In order to offset the remaining base budget pressures and reduction in revenue, the 2016 recommended service changes for an On-Street Parking Service consists of base revenue savings of \$1.500 million and service efficiency savings of \$0.029 million as detailed below:

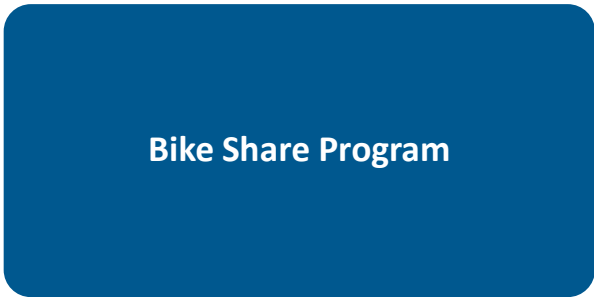
User Fee Rate Increase (additional revenue of \$1.500 million net)

- Increase in rate revenue arising from approved changes in hourly rates and hours of operations as adopted by City Council on September 30, 2015 following consideration of the report entitled, **Changes to the On-Street Parking Rates and Hours of Operation (GM6.24)** results in savings of \$1.500 million for On-Street parking.

Ticket Expense Decrease (savings of \$0.029 million)

- Increase in mobile payment usage results in lower usage of tickets for On-Street Parking and a decrease in ticket expense budget by \$0.029 million.

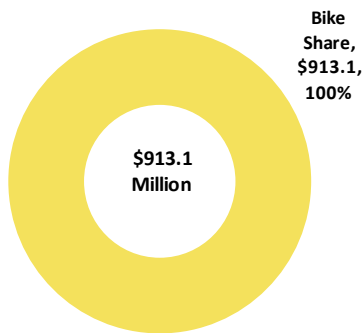
Bike-Share Program



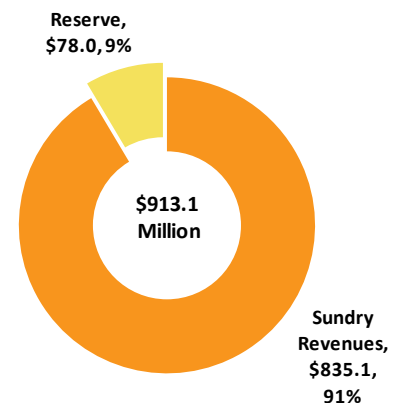
What We Do

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

2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



2016 Service Levels

Bike Share Program

Activity	Sub-Activity/Type	Status				Recommended
			2013	2014	2015	2016
Bike Share		Approved				70 -75% occupancy of available rental usage on the available bikes

The Toronto Parking Authority has established appropriate service level standards for the Bike Share Program for 2016.

Table 6

2016 Recommended Service Budget by Activity

(\$000s)	2015	2016 Recommended Operating Budget							2016 Rec'd Budget vs. 2015 Budget		Incremental Change			
	Approved Budget	Base Budget	Rec'd Service Changes	2016 Rec'd Base	Rec'd Base Budget vs. 2015 Budget	% Change	Rec'd New/Enhanced	2016 Rec'd Budget			2017 Plan		2018 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Bike Share	913.1	913.1		913.1	0.0	0.0%		913.1	0.0	0.0%				
Total Gross Exp.	913.1	913.1		913.1	0.0	0.0%		913.1	0.0	0.0%				
REVENUE														
Bike Share	913.1	913.1		913.1	0.0	0.0%		913.1	0.0	0.0%				
Total Revenues	913.1	913.1		913.1	0.0	0.0%		913.1	0.0	0.0%				
NET EXP.														
Bike Share	0.0	0.0		0.0	0.0	0.0%		0.0	0.0	0.0%				
Total Net Exp.	0.0	0.0		0.0	0.0	0.0%		0.0	0.0	0.0%				
Approved Positions														

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 utilizing 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 Bike Share Service's 2016 Recommended Operating Budget of \$0.913 million gross and \$0 million is the same as the 2015 Approved Net Budget.

Base budget pressures in the Bike Share Service are primarily due to the following:

- 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 costs for this service.
- The 2016 Operating Budget does not include any funding to further expand of this service. Any further plans will be developed after the current Bike Share Program stabilizes and funding requirements will be identified during the 2017 and future year budget processes.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

Income Sharing Agreement with the Toronto Parking Authority

- The existing Income Sharing Agreement between the City and the Toronto Parking Authority was approved by Council in June 2013, as a three year agreement, effective January 1, 2013. This agreement will expire on December 31, 2015.
- For details regarding the current agreement please refer to the Income Sharing Agreement Renewal with the Toronto Parking Authority Report (EX32.14) from the Deputy City Manager and Chief Financial Officer and President of the Toronto Parking Authority
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX32.14>
- The Financial Planning Division and the Toronto Parking Authority are in the process of reviewing terms and conditions of the existing agreement in order to prepare a proposal for income sharing agreement renewal to Council.
- It is recommended that the Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority report to Budget Committee with the Income Sharing Renewal Agreement no later than April 30, 2016, and that the existing Income Sharing Agreement with the Toronto Parking Authority which expires on December 31, 2015, be extended until such time as Council considers an updated Income Sharing Agreement.

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 stabilizing bike share program. This authorization included a transfer of 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, authorizing an initial amount of \$0.550 million for the TPA's transaction, and transition and start up costs.
- The Toronto Parking Authority's 2016 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.
- In 2016, the Bike Share system will be expanding to at least double its current size funded primarily from \$4.9 million in proceeds from Metrolinx received in 2015. Other sources of potential available capital funding include Section 37 and 41 funds and private real estate developer contributions.

TPA also anticipates an increase in sponsorship funding, of which any net surplus can fund capital refurbishment and growth.

Sustainability of the Toronto Parking Authority Revenue

- Since 2014, Toronto Parking Authority revenues from both on-street and off-street revenues are on decline mostly due to impact of road construction and closures and the competing demand for curb space/ availability of parking spaces. This decline in revenue represents a factor that may negatively impact the City's Tax Supported Budget in the future. 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, therefore any decrease in TPA's revenue reduces City's revenue share.
- Details on strategies and adjusted policies that would not only prevent any further revenue losses, but will enable Toronto Parking Authority to restore its revenues to pre-2015 levels are available in the accompanying Toronto Parking Authority briefing note entitled "*2016 Operating Budget Briefing Note Review of On-Street Parking Revenue*".
- In addition to the issues and strategies discussed in the accompanying briefing note, it is also recommended that City Council direct the President of the Toronto Parking Authority and the General Manager of Transportation Services to explore opportunities to increase On-Street parking spaces in the City of Toronto.

User Fee Rate Change

- The Toronto Parking Authority's 2015 market based hourly rate structure for On-Street Parking is included in the City's chapter 441 Fees and Charges (appendix G), with a maximum hourly rate of \$3.54 (\$4.00 inclusive of HST).
- A change to appendix G of chapter 441 Fees and Charges effective January 1, 2016, is recommended, increasing the Toronto Parking Authority's maximum rate from \$3.54 to \$4.43 (\$5.00 inclusive of HST) (see Appendix 7a).
- This market based fee change reflects the maximum fee that is able to be implemented at on street metered or machined locations through the delegated process outlined in Chapter 179.7.d of the City of Toronto Municipal Code. The delegated process requires the concurrence of the Councillor of any impacted ward in order to be changed.
- ***No specific rate increases are being recommended at this time or reflected in the 2016 Recommended Operating Budget for the TPA***, however, a review of the rates is underway and there may be a need to increase the rates at the \$3.54 per hour locations prior to the 2017 Budget Process.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, the Toronto Parking Authority accomplished the following:

- ✓ Successfully operated the largest municipal parking supply in North America that includes 22,800 off-street and 19,500 on-street parking spaces
- ✓ Commenced comprehensive pay-and-display meter refurbishment program for On-Street Parking for 3,000 meters.
- ✓ Launched Phase 1 of the Mobile Payment program that is now available at over 185 Off-Street carparks (including TTC lots).
- ✓ Addressed off-street parking shortfalls by opening five new *off-street* carparks with 324 spaces.
- ✓ Completed greening initiatives at 6 existing carparks.
- ✓ Added 2 additional sites under TPA's partnership with TCHC for their visitor parking bringing total to over 50 locations.
- ✓ Acquired 6 new properties plus 2 new license agreements which upon development will increase parking supply by 455 spaces.
- ✓ Refreshed and updated entire GreenP way finding signage network (125 illuminated, 500 non-illuminated signs).
- ✓ Bike Share Toronto ridership measured in trips increased 20%.
- ✓ 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.

Appendix 2

2016 Recommended Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2015 Approved		2017	2018
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	21,973.4	21,963.5	23,278.8	22,326.4	24,178.7	899.9	3.9%	24,178.7	24,178.7
Materials and Supplies	6,395.2	6,556.3	9,203.9	8,029.2	9,439.2	235.3	2.6%	7,527.0	7,631.2
Equipment	7,528.2	7,325.7	7,370.0	7,152.8	7,299.0	(71.0)	(1.0%)	7,299.0	7,299.0
Services & Rents	18,649.6	20,959.9	23,006.4	23,359.8	24,983.6	1,977.2	8.6%	24,956.2	23,350.4
Contributions to Capital					-		-		
Contributions to Reserve/Res Funds	4,768.9				-		-		
Other Expenditures	19,183.0	19,203.3	19,124.6	20,728.3	18,842.3	(282.3)	(1.5%)	18,875.9	18,910.6
Interdivisional Charges					-		-		
Total Gross Expenditures	78,498.3	76,008.7	81,983.7	81,596.5	84,742.6	2,758.9	3.4%	82,836.8	81,369.9
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	126,416.3	128,755.2	128,878.8	131,754.4	132,085.2	3,206.4	2.5%	132,085.2	132,085.2
Transfers from Capital Fund							-		
Contribution from Reserve/Reserve Funds					78.0	78.0	-		
Sundry Revenues	5,891.1	5,208.3	5,350.6	4,743.8	4,825.1	(525.5)	(9.8%)	4,903.1	4,903.1
Total Revenues	132,307.4	133,963.5	134,229.4	136,498.2	136,988.4	2,759.0	2.1%	136,988.3	136,988.3
Total Net Expenditures	(53,809.1)	(57,954.8)	(52,245.7)	(54,901.7)	(52,245.7)	(0.0)	0.0%	(54,151.5)	(55,618.4)
Approved Positions	296.7	285.0	299.4	299.4	302.4	3.0	1.0%	302.4	302.4

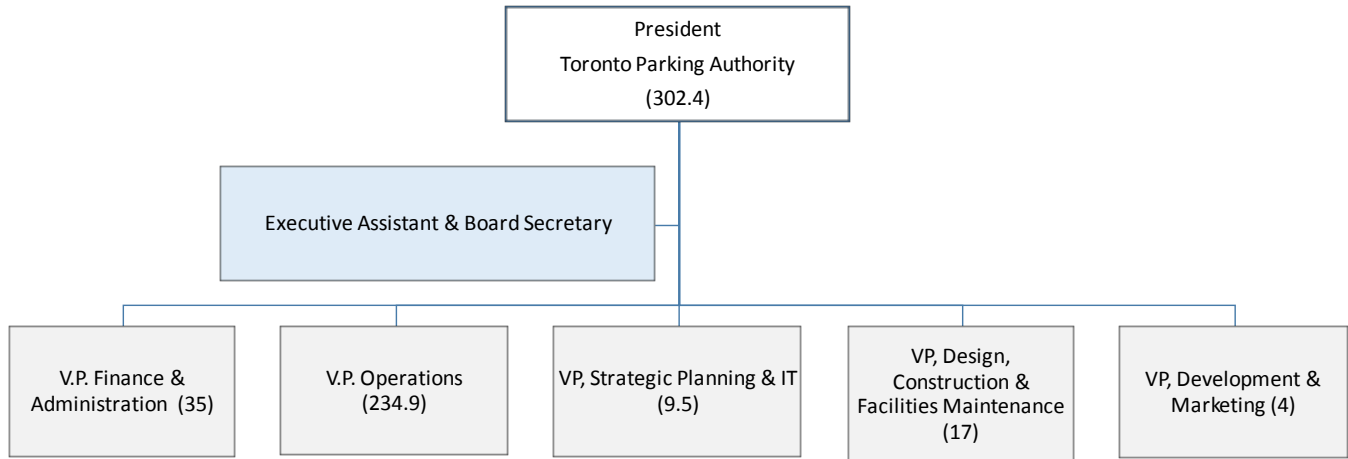
For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" once it becomes available and approved by City Council at its meeting on December 9, 2015.

Impact of 2015 Operating Variance on the 2016 Recommended Budget

- On- street mobile signs and some meter refurbishment are projected to be delayed in 2015 and therefore are included in the 2016 Recommended Budget increasing TPA's gross expenditure.
- The 2016 Recommended Operating Budget continues to reflect Off-Street Parking revenue recovery that was in decline prior to 2015 due to construction impacts. 2015 experienced Off-Street parking revenue recovery mainly in downtown fringe.

Appendix 3

2016 Organization Chart



2016 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	8.0	31.0	45.0	162.0	246.0
Temporary			4.0	52.4	56.4
Total	8.0	31.0	49.0	214.4	302.4

Appendix 4

Summary of 2016 Recommended Service Changes

2016 Operating Budget - Staff Recommended Activity Change Summary by Activity (\$000's)

Form ID		Agencies - Cluster Program - Toronto Parking Authority	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2016 Staff Recommended Base Budget Before Service Change:			84,787.1	136,988.4	(52,201.4)	302.40	(1,905.8)	(1,467.0)
8160		Tickets decrease due to mobile payment usage						
51	0	Description:						
		Introduction of mobile phone payments will require less pay and display parking tickets to be placed on the car dashboard what results in reduction of costs for pay and display parking tickets in the amount of \$0.015 million for off-street parking and \$0.029 million for on-street parking for total savings of \$0.044 million.						
		Service Level Impact:						
		There is no impact to service level.						
		Service/Activity: Off-Street Parking / NA						
		Total Staff Recommended	(15.1)	0.0	(15.1)	0.00	0.0	0.0
		Service/Activity: On-Street Parking / NA						
		Total Staff Recommended	(29.3)	0.0	(29.3)	0.00	0.0	0.0
		Staff Recommended Service Changes:	(44.4)	0.0	(44.4)	0.00	0.0	0.0
Summary:								
Total Staff Recommended			(44.4)	0.0	(44.4)	0.00	0.0	0.0
Total Staff Recommended Base Budget:			84,742.6	136,988.4	(52,245.8)	302.40	(1,905.8)	(1,467.0)

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Rec'd Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance		5,911.0	5,911.0	5,833.0	5,833.0
Parking Payment in Lieu Reserve Fund	XR1016				
<i>Proposed Withdrawals (-)</i>			(78.0)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		5,911.0	5,833.0	5,833.0	5,833.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		5,911.0	5,833.0	5,833.0	5,833.0

Appendix 7a

Recommended User Fees Adjusted for Inflation and Other

Rate ID	Rate Description	Service	Fee Category	Fee Basis	2015	2016			2017	2018
					Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
PK-B01	Customer to city business or service - Use of a parking space for the time-period paid for	On-Street Parking	Market Based	Per Hour	\$3.54 maximum		\$0.89	\$4.43	\$4.43	\$4.43