



Toronto Parking Authority

2017 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.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$92.637 million gross and \$156.051 million net as shown below.

(in \$000's)	2016 Budget	2017 Budget	Change	
			\$	%
Gross Expenditures	84,742.6	92,637.0	7,894.4	9.3%
Gross Revenues	136,988.4	156,051.3	19,062.9	13.9%
Net Expenditures	(52,245.8)	(63,414.3)	(11,168.5)	21.4%

Moving into 2017, the Toronto Parking Authority was facing a net pressure of \$8.452 million due mainly to inflationary increases in labour and non-labour costs including municipal taxes. The TPA was able to offset these pressures through savings from lower maintenance and repair costs, increased parking usage and prior year rate increases, and additional revenues generated through the opening of new car parks. It also achieved significant increase in net revenues, resulting in 21.4% higher net revenues compared to 2016 approved levels.

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Fast Facts

- 22,000 off-street spaces in over 200 facilities.
- 19,300 on-street spaces.
- Over 15,000 spaces operated for third parties, mainly for Toronto Transit Commission (TTC), and Parks, Forestry and Recreation Program.
- The Bike Share system fleet has approximately 2,000 bicycles and 200 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 coupled with change in hours of operations and parking rates is expected to return a greater income per parking space in future years.

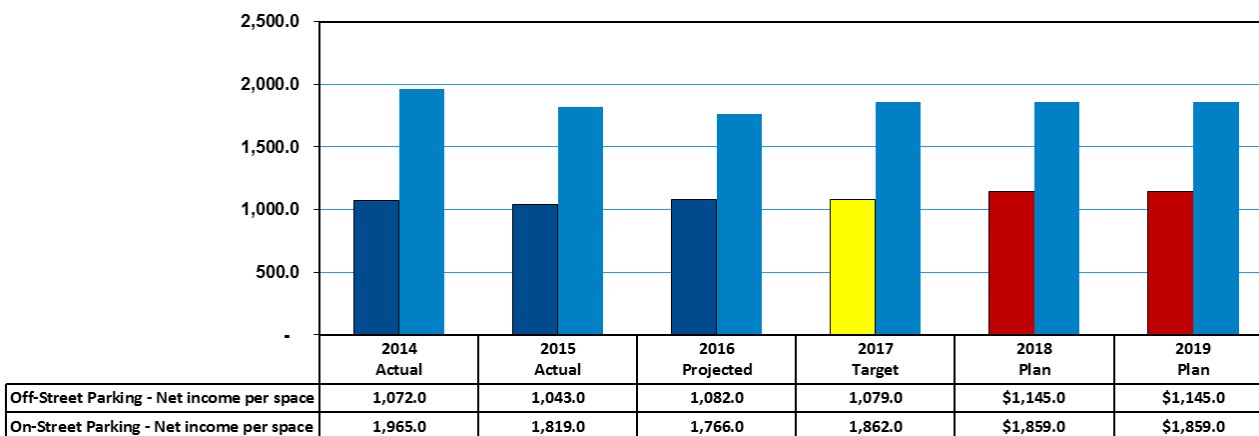
Key Service Deliverables for 2017

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 2017 Operating Budget will enable Toronto Parking Authority to:

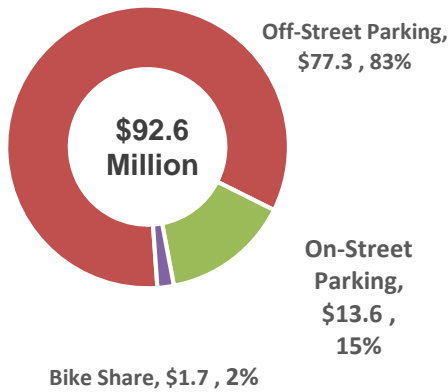
- Continue to manage an estimated 19,300 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters.
- Maintain approximately 22,000 off-street spaces, which include 20 partially automated/attended lots, 4 fully automated garages, and 187 unattended lots.
- Continue to operate, on behalf of the Toronto Transit Commission, roughly 12,000 spaces at their park-and-ride facilities and parking lots.
- Continue to manage an additional 3,200 spaces for the Parks, Forestry and Recreation Program, seasonal 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 2,000 bicycles utilizing 200 stations throughout the City.

Net Income Per Space

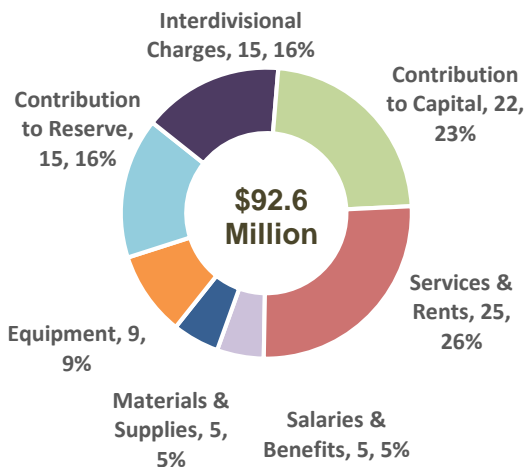


Where the money goes:

2017 Budget by Service

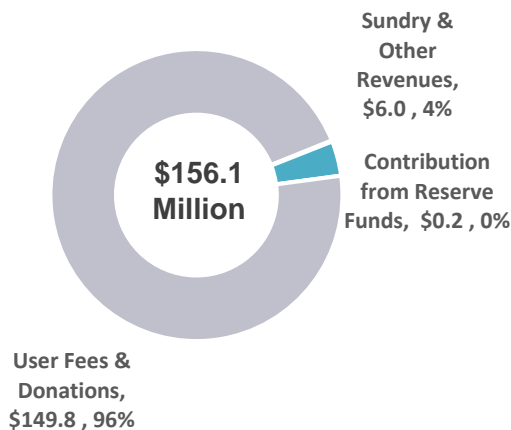


2017 Budget by Expenditure Category



Where the money comes from:

2017 Budget Funding Source



Our Key Issues & Priority Actions

- Innovative and efficient expansion of Services by utilizing new technologies to increase customer convenience and lower operating costs.
 - ✓ The 2017 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.

2017 Operating Budget Highlights

- The 2017 Recommended Operating Budget for Toronto Parking Authority of \$92.637 million in gross expenditures provides funding to:
 - ✓ Continue to manage, operate and maintain estimated 19,300 on-street parking spaces (\$13.560 million), 37,200 off street parking spaces (\$77.339 million) and the Bike Share Program (\$1.738 million) with a fleet of 2,000 bicycles utilizing 200 stations.
 - ✓ Maintain Payment Card Industry (PCI) compliance (\$0.287 million).
- In addition to offsetting all of its 2017 operating budget pressures, Toronto Parking Authority achieved an increase in net revenues totaling \$11.168 million mainly due to the following :
 - Savings from lower maintenance costs (\$0.489 million).
 - Opening of new car parks (\$0.782 million).
 - A combination of a general increase in demand for parking in the downtown core area with increased prices in certain parking zones based on prior approved increases (\$19.123 million).

Actions for Consideration

Approval of the 2017 Recommended Budget as presented in these notes requires that:

1. City Council approve the 2017 Operating Budget for Toronto Parking Authority of \$92.637 million gross, (\$63.414) million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Off-Street Parking	77,339.2	(24,920.7)
On-Street Parking	13,559.6	(38,493.6)
Bike Share	1,738.1	0.0
	<hr/>	<hr/>
Total Program Budget	<u>92,637.0</u>	<u>(63,414.3)</u>

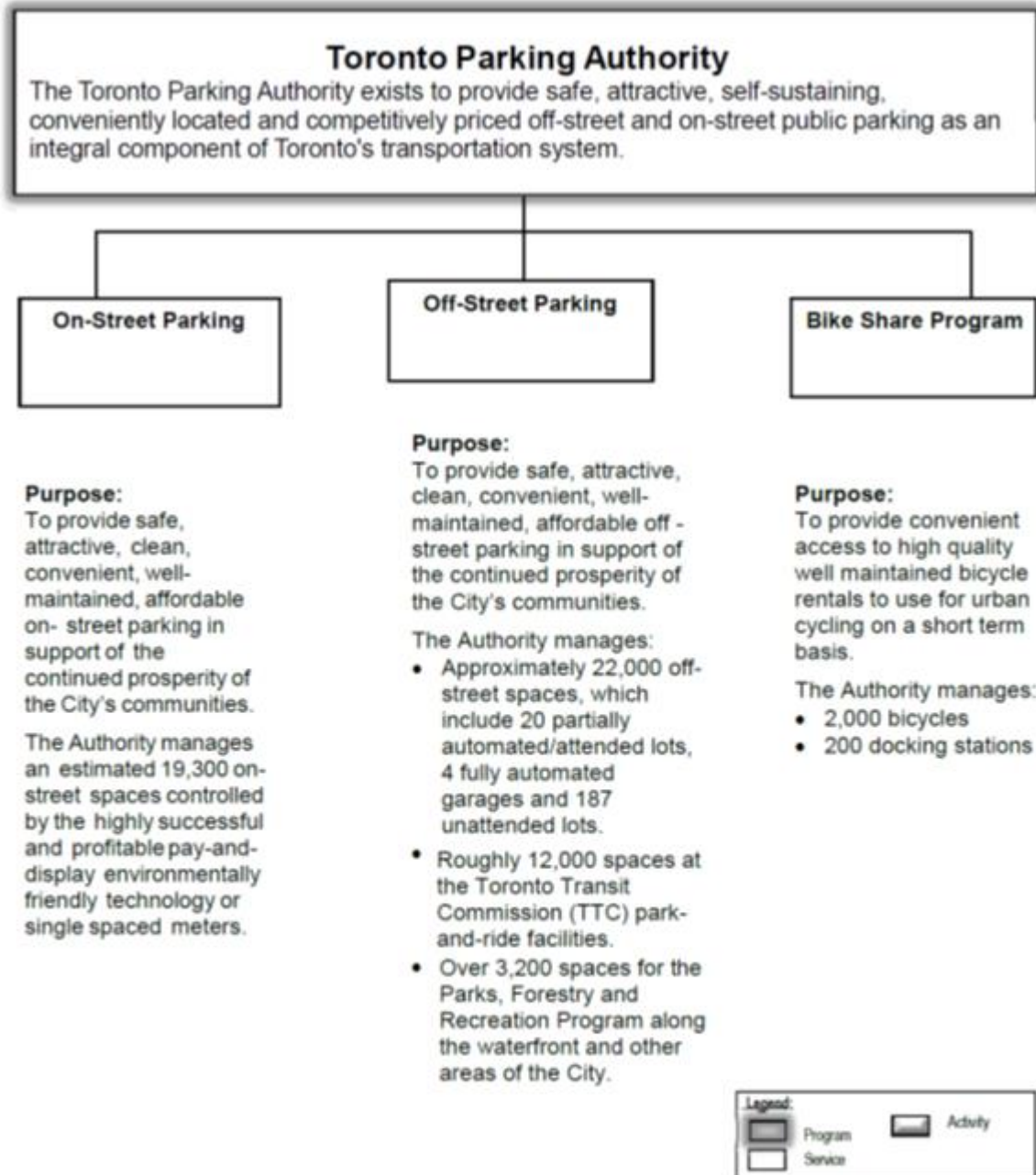
2. City Council approve the 2017 service levels for Toronto Parking Authority as outlined on pages 14, 17, and 19 of this report, and associated staff complement of 309 positions.
3. City Council direct the Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority to report during the 2017 Budget process on an updated Income Sharing Renewal Agreement, and that the existing Income Sharing Agreement with the Toronto Parking Authority which expired on December 31, 2015, be extended until such time as Council considers an updated Income Sharing Agreement.



Part 1:

2017-2019 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

Key Service Challenges and Opportunities

- 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)

Key Service Objectives and Priority Actions

- Service 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.
 - Increase supply of On-Street parking spaces.
 - Use technology to increase customer convenience and lower operating costs.
 - Extend service payment requirement to non-revenue parkers.
 - Expand Bike Share program as integral component of City's transportation strategy.
- Priority Actions:
 - 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

Table 1
2017 Recommended Operating Budget and Plan by Service

(In \$000s)	2016		2017 Operating Budget			2017 vs. 2016 Budget Changes		Incremental Change			
	Budget	Projected Actual	Base	New/ Enhanced	Total Budget			2018 Plan	2019 Plan		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Off-Street Parking											
Gross Expenditures	70,179.9	70,179.9	77,339.2		77,339.2	7,159.3	10.2%	(2,148.0)	(2.8%)	1,504.9	2.0%
Revenue	87,816.9	91,916.9	102,259.9		102,259.9	14,443.0	16.4%	(1,544.8)	(1.5%)	1,924.7	1.9%
Net Expenditures	(17,637.0)	(21,737.0)	(24,920.7)		(24,920.7)	(7,283.7)	41.3%	(603.2)	2.4%	(419.8)	1.6%
On-Street Parking											
Gross Expenditures	13,649.6	13,649.6	13,559.6		13,559.6	(90.0)	(0.7%)	170.5	1.3%	199.5	1.5%
Revenue	48,258.4	50,158.4	52,053.3		52,053.3	3,794.9	7.9%	1,041.6	2.0%	1,061.9	2.0%
Net Expenditures	(34,608.8)	(36,508.8)	(38,493.6)		(38,493.6)	(3,884.8)	11.2%	(871.0)	2.3%	(862.4)	2.2%
Bike Share											
Gross Expenditures	913.1	913.1	1,738.1		1,738.1	825.0	90.4%				
Revenue	913.1	913.1	1,738.1		1,738.1	825.0	90.4%				
Net Expenditures											
Total											
Gross Expenditures	84,742.6	84,742.6	92,637.0		92,637.0	7,894.4	9.3%	(1,977.5)	(2.1%)	1,704.4	1.9%
Revenue	136,988.4	142,988.4	156,051.3		156,051.3	19,062.9	13.9%	(503.3)	(0.3%)	2,986.6	1.9%
Total Net Expenditures	(52,245.8)	(58,245.8)	(63,414.3)		(63,414.3)	(11,168.5)	21.4%	(1,474.2)	2.3%	(1,282.2)	2.0%
Approved Positions	302.4	302.4	309.0		309.0	6.6	2.2%				

The Toronto Parking Authority's 2017 Recommended Operating Budget is \$92.637 million gross and (\$63.414) million in net revenue, representing an increase in net revenues of \$11.168 million or 21.4% compared to the 2016 Approved Net Operating Budget.

- Base pressures of \$7.894 million are mainly attributable to non-labour inflationary increases (\$2.152 million), increases in salary and benefit costs (\$0.890 million) and other costs associated with higher usage of parking spaces (\$0.909 million), which are common to both *Off-Street and On-Street Parking Services*, as well as increased rent costs for managed carparks (\$0.144 million) and higher property taxes (\$3.591 million) in the *Off-Street Parking Service*.
- Both Services will experience loss of revenues, *Off-Street Parking Service* due to closure of carparks and construction work across the City (\$2.753 million) and *On-Street Parking Service* due to peak period extension adjustment (\$0.890 million).
- To more than fully offset the above pressures, the Program was able to achieve service base expenditure savings of \$0.796 million mostly from lower maintenance and depreciation costs, as well as \$19.063 million in additional revenues generated from parking rate and hour of operation increases, which were approved by Council in 2015, and the opening of new carparks.
- Approval of the 2017 Operating Budget will result in Toronto Parking Authority increasing its total staff complement by 6.6 positions from 302.4 to 309.0. These positions, mostly in *Off-Street Parking Service*, have been approved by the Toronto Parking Authority Board in 2016, and are now included in the 2017 Operating Budget.
- The 2018 and 2019 Plan reflect increase in costs due to non-labour inflationary cost increases and higher costs resulting from increased parking usage. Reduced expenditures are anticipated for 2018 as property tax payments for carpark 15 will not be required beyond 2017. Anticipated revenues from increased usage of parking spaces, as well as potential revenue loss due to the closure of carparks are also included in the 2018 and 2019 Plan.

**Table 2
Key Cost Drivers**

(In \$000s)	2017 Base Operating Budget						Total	
	Off-Street Parking		On-Street Parking		Bike Share		\$	Position
	\$	Position	\$	Position	\$	Position		
Economic Factors								
Corporate Economic Factors	1,139.7		409.4				1,549.2	
Divisional Economic Factors	603.0						603.0	
Salaries and Benefits								
Salaries & Benefits	652.5	7.0	237.5	(0.4)			889.9	6.6
Other Base Changes								
Higher Costs Due to Higher Customer Usage / Revenues	339.4		96.5				435.9	
EDP Service Contracts and Programming Costs Due to Automation of Services	102.2		85.5				187.7	
Legal Costs Increases	175.0						175.0	
Increase in Municipal Taxes								
Increase in assessed values for Various CPs	1,110.7						1,110.7	
Municipal taxes on new lot purchases	400.0						400.0	
Carpark 261, 45 Abeil Garage Purchased in 2015	80.0						80.0	
Carpark 15 Operations Continue in 2017	2,000.0						2,000.0	
Increased Security Costs at Corporate Office and Downtown Garages	87.8						87.8	
Other Service Costs Increases	182.9		19.6				202.4	
Higher Rents	144.4						144.4	
Bike Share Costs					825.0		825.0	
Lower Maintenance and Other Costs	(190.7)		(298.4)				(489.1)	
Depreciation Expense	332.6		(640.1)				(307.5)	
Total Gross Expenditure Changes	7,159.5	7.0	(90.0)	(0.4)	825.0		7,894.5	6.6
Revenue Changes								
Delays in Closures (including CP 15)	982.0						982.0	
Opening of New Carparks	488.1						488.1	
Rate Increases and Adjustments								
Other Revenues								
Bike Share Revenues and Reserve Fund Contributions					825.0		825.0	
General Increase in Parking Usage in the Downtown Core	7,700.0		2,100.0				9,800.0	
Closure of CPs, including CP during Construction	(2,752.7)						(2,752.7)	
Peak Period Extension Adjustments			(890.0)				(890.0)	
Total Revenue Changes	6,417.4		1,210.0		825.0		8,452.4	
Net Expenditure Changes	742.1	7.0	(1,300.0)	(0.4)			(557.9)	6.6

Key cost drivers Toronto Water are discussed below:

- Salaries and Benefits
 - In 2016, Toronto Parking Board approved addition of 6.6 positions to the staff complement. These costs are now reflected in the 2017 Operating Budget.
- Economic Factors:
 - Inflationary increases to non-labour costs impacting two services are mainly for materials and supplies (\$0.445 million), utility costs (0.214 million), and municipal taxes (\$0.603 million).
- Other Base Changes:
 - Off-Street Parking service experienced higher costs mainly resulting from increased property value assessments for carparks (\$1.597 million). In addition, closure of carpark 15 has been delayed until 2018 resulting in additional municipal tax costs (\$2.0 million).
 - The gross expenditure pressures for Off-Street Parking are partially offset by reduced maintenance and other costs (\$0.489 million), as well as depreciation costs of (\$0.307 million).
- Revenue Changes:
 - In 2017, 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 \$3.642 million. These losses will be offset by an estimated general increase in parking usage in the downtown core for both off-street parking and on street parking, and revenue from carparks that will be open in 2017.

In order to offset the above net pressures, the 2017 service changes for Toronto Parking Authority consists of base revenue changes of \$10.105 million, as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2017 Service Change Summary

Description (\$000s)	Service Changes						Total Service Changes			Incremental Change			
	Off-Street Parking		On-Street Parking		Bike Share		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Revenue Changes													
Opening of New Carparks		(781.6)						(781.6)					
Revenue from Rate Increases		(7,244.1)		(2,079.5)				(9,323.6)					
Base Revenue Change		(8,025.7)		(2,079.5)				(10,105.2)					
Sub-Total		8,025.7		2,079.5				10,105.2					
Total Changes		8,025.7		2,079.5				10,105.2					

Base Revenue Changes (Savings of \$10.105 million net)

- An increase in rate revenue for Off-Street and On-Street parking of \$10.105 million is planned in 2017, arising from approved changes in hourly rates 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), user rate increases in Off-Street parking facilities, as well as an increase in the maximum delegated market rate user fee change approved during the 2016 Budget Process.

Table 5
2018 and 2019 Plan by Program

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Anticipated Impacts:										
Economic Factors										
Economic Factors - Non Labour	21.6		21.6	0.0%		692.4		692.4	0.8%	
Other Base Changes										
Higher Costs Due to Higher Customer Usage	206.0		206.0	0.2%		118.7		118.7	0.1%	
Major Equipment, Maintenance and & Repair Costs	407.0		407.0	0.4%		(101.4)		(101.4)	(0.1%)	
Rental Costs	(882.3)		(882.3)	(1.0%)		215.9		215.9	0.2%	
Municipal Tax	(1,729.8)		(1,729.8)	(1.9%)		778.8		778.8	0.9%	
Revenue Changes										
Revenue Increase from General Increase in Parking Usage in the Downtown Core		1,041.6	(1,041.6)	(1.1%)			2,986.6	(2,986.6)	(3.3%)	
Closure of CPs, including CP during Construction		(1,544.8)	1,544.8	1.7%						
Sub-Total	(1,977.5)	(503.3)	(1,474.2)	(1.6%)		1,704.4	2,986.6	(1,282.2)	(1.4%)	
Total Incremental Impact	(1,977.5)	(503.3)	(1,474.2)	(1.6%)		1,704.4	2,986.6	(1,282.2)	(1.4%)	

Future year incremental costs are primarily attributable to the following:

Anticipated 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 \$0.022 million and \$0.692 million in increased costs for 2018 and 2019 respectively.
- Increases in other base expenditure include higher mobile fees, credit card processing fees and ticket costs, all resulting from higher customer usage which are estimated at \$0.206 million and \$0.119 million in 2018 and 2019 respectively. Maintenance and repair costs are projected to increase by \$0.407 million in 2018, with subsequent reduction of \$0.101 million in 2019, based on planned maintenance schedules in those years.
- As a result of the closure of carpark 15 in 2018, municipal taxes will be reduced by \$1.730 million in 2018. For new carparks that will be open in 2019, there will be an incremental municipal tax cost impact of \$0.779 million. Rental costs for managed lots are projected at lower levels in 2018, with incremental cost in 2019.
- Toronto Parking Authority anticipates additional revenues from increase in downtown parking usage in both 2018 (\$1.042 million) and 2019 (\$2.987 million). In 2018, there will be also a revenue loss resulting from closure of carparks due to other City initiatives and the city-wide construction work anticipated for 2019.



Part 2:

2017 Recommended Operating Budget by Service

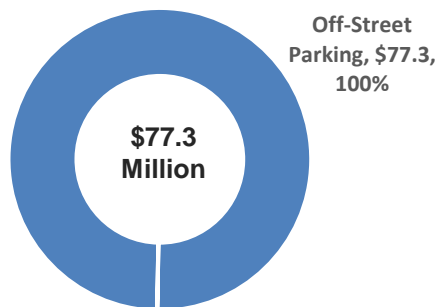
Off-Street Parking



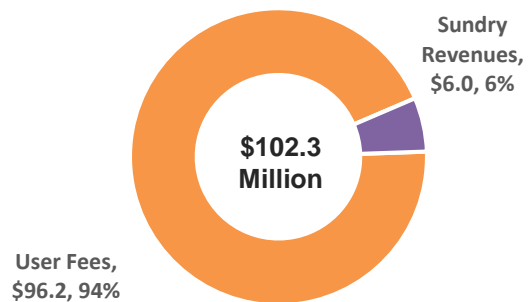
What We Do

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

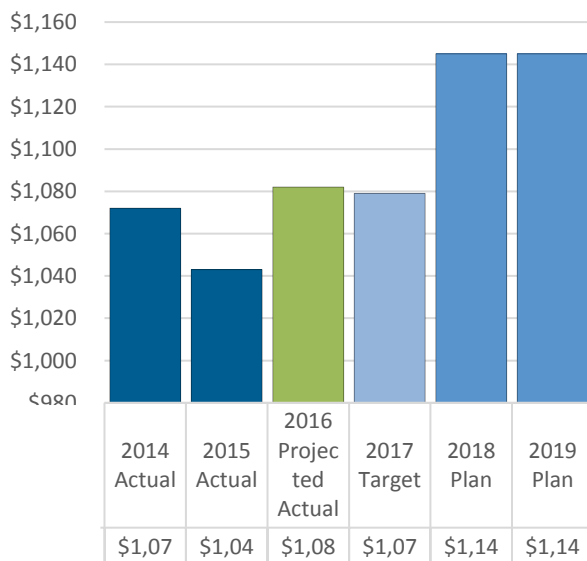
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



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.

**2017 Service Levels
Off-Street Parking**

Sub-Activity/Type		Status	2014	2015	2016	2017
Off-Street Parking	Surface Car Parks	Approved	80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas	85% occupancy of available spaces in established areas	85% occupancy of available spaces in established areas
	Parking Garages	Approved	80% occupancy of available spaces in established areas	80% occupancy of available spaces in established areas	85% occupancy of available spaces in established areas	85% occupancy of available spaces in established areas

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Off-Street Parking.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2016 Budget	% Change	New/Enhanced	Base Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Off-Street Parking	70,179.9	77,339.2		77,339.2	7,159.3	10.2%		77,339.2	7,159.3	10.2%	(2,148.0)	-2.8%	1,504.9	2.0%	
Total Gross Exp.	70,179.9	77,339.2		77,339.2	7,159.3	10.2%		77,339.2	7,159.3	10.2%	(2,148.0)	-2.8%	1,504.9	2.0%	
REVENUE															
Off-Street Parking	87,816.9	94,234.2	8,025.7	102,259.9	14,443.0	16.4%		102,259.9	14,443.0	16.4%	(1,544.8)		1,924.7	1.9%	
Total Revenues	87,816.9	94,234.2	8,025.7	102,259.9	14,443.0	16.4%		102,259.9	14,443.0	16.4%	(1,544.8)		1,924.7	1.9%	
NET EXP.															
Off-Street Parking	(17,637.0)	(16,895.0)	(8,025.7)	(24,920.7)	(7,283.7)	41.3%		(24,920.7)	(7,283.7)	41.3%	(603.2)	2.4%	(419.8)	1.6%	
Total Net Exp.	(17,637.0)	(16,895.0)	(8,025.7)	(24,920.7)	(7,283.7)	41.3%		(24,920.7)	(7,283.7)	41.3%	(603.2)	2.4%	(419.8)	1.6%	
Approved Positions	267.4	274.4		274.4	7.0	2.6%		274.4	7.0	2.6%		0.0%			

The **Off-Street Parking Service** provides approximately 22,000 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 15,200 parking spaces for other City programs such as TTC, Parks, Forestry and Recreation, along waterfront and other areas of the City.

The Off-Street Parking's 2017 Operating Budget of \$77.339 million gross and (\$24.921) million net is \$7.284 million or 41.3% million higher the 2016 Approved Net Budget.

- In addition to base budget pressures common across all services (totaling \$3.020 million for Off-Street parking), pressures unique for Off-Street Parking are primarily due to increased costs for new, previously unbudgeted managed lots opened in 2016 and increase in municipal taxes for new lot purchases, as well as continued operation of carpark 15, previously planned for closure (\$3.735 million). This service will also experience a loss of revenue (\$2.753 million), as some carparks close due to other City initiatives.
- These gross expenditure pressures will be fully offset by additional revenues generated from increase in off-site parking usage in the downtown core areas (\$7.7 million).
- To offset the pressures noted above, the 2017 service changes for the Off-Street Parking Service consist of revenue changes of \$8.026 million, as detailed below:
 - Increase in rate revenue arising from previously approved changes in user rates (additional revenue of \$7.244 million net).
 - The 2017 Operating Budget includes new revenue realized from new parking lots opened in 2016 (new revenue of \$0.782 million net).

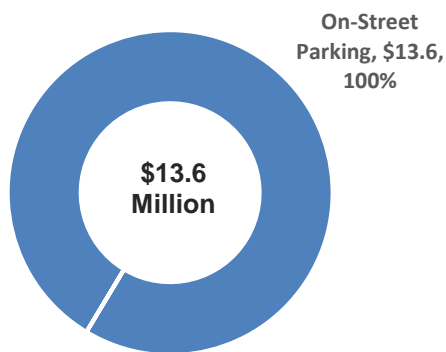
On-Street Parking



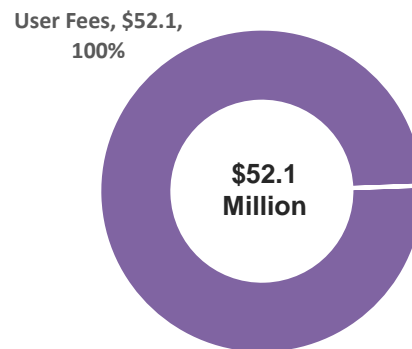
What We Do

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

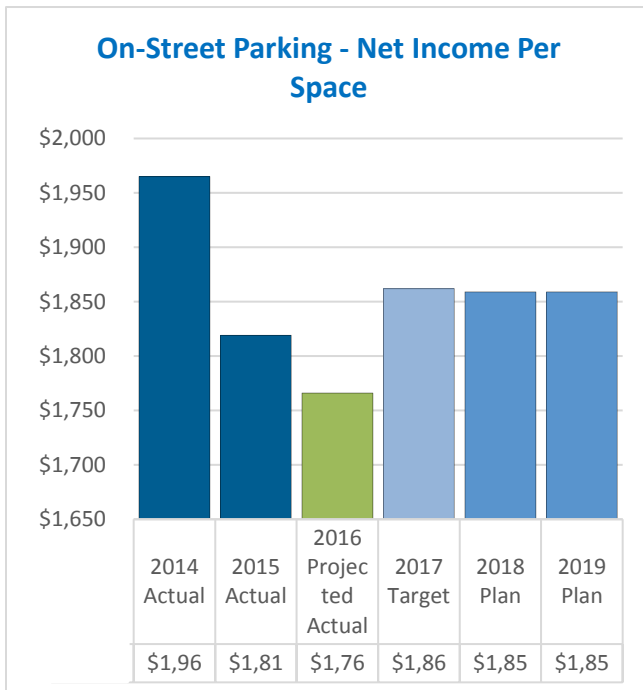
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



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.

**2017 Service Levels
On-Street Parking**

Sub-Activity/Type	Status	2014	2015	2016	2017
On-Street Parking	Approved	80% 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

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for On-Street Parking.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2016 Budget	% Change	New/Enhanced	Base Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
On-Street Parking	13,679.2	13,559.6		13,559.6	(119.6)	(0.9%)		13,559.6	(119.6)	(0.9%)	170.5	1.3%	199.5	1.5%	
Total Gross Exp.	13,679.2	13,559.6		13,559.6	(119.6)	(0.9%)		13,559.6	(119.6)	(0.9%)	170.5	1.3%	199.5	1.4%	
REVENUE															
On-Street Parking	48,398.3	49,973.8	2,079.5	52,053.3	3,655.0	7.6%		52,053.3	3,655.0	7.6%	1,041.6		1,061.9	2.0%	
Total Revenues	48,398.3	49,973.8	2,079.5	52,053.3	3,655.0	7.6%		52,053.3	3,655.0	7.6%	1,041.6		1,061.9	2.0%	
NET EXP.															
On-Street Parking	(34,719.1)	(36,414.1)	(2,079.5)	(38,493.6)	(3,774.5)	10.9%		(38,493.6)	(3,774.5)	10.9%	(871.0)	2.3%	(862.4)	2.2%	
Total Net Exp.	(34,719.1)	(36,414.1)	(2,079.5)	(38,493.6)	(3,774.5)	10.9%		(38,493.6)	(3,774.5)	10.9%	(871.0)	2.3%	(862.4)	2.1%	
Approved Positions	35.0	34.6		34.6	(0.4)	(1.1%)		34.6	(0.4)	(1.1%)		0.0%			

The **On-Street Parking Service** provides approximately 19,300 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 2017 Operating Budget of \$13.560 million gross and (\$38.494) million net is \$3.774 million or 10.9% higher the 2016 Approved Net Budget.

- Base budget for On-Street Parking are those common to all services and they totaling \$0.848 million. Unique pressure for this service is a loss of revenue (\$0.890 million), mainly due to a decrease in hours of available operation impacting the usage of on-street parking in the downtown core.
- These gross expenditure pressures will be fully offset by additional revenues generated from increase in on-site parking usage in the downtown core areas (\$2.1 million).
- To offset the pressures noted above, the 2017 service Budget changes for the On-Street Parking Service consist of revenue changes of \$2.079 million arising from approved changes in hourly rates and hours of operations approved in 2015.

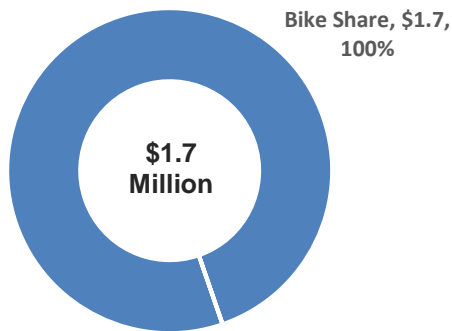
Bike Share



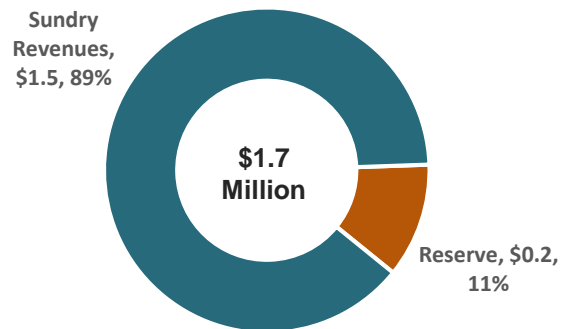
What We Do

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

2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



2017 Service Levels Bike Share

	Sub-Activity/Type	Status	2014	2015	2016	2017
Bike Share		Approved			70 -75% occupancy of available rental usage on the available bikes	70 -75% occupancy of available rental usage on the available bikes

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Bike Share Service.

Table 6
2017 Service Budget by Activity

(\$000s)	2016		2017 Operating Budget						Incremental Change					
	Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2016 Budget	% Change	New/Enhanced	Base Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Bike Share	913.1	1,738.1		1,738.1	825.0	90.4%		1,738.1	825.0	90.4%				
Total Gross Exp.	913.1	1,738.1		1,738.1	825.0	90.4%		1,738.1	825.0	90.4%				
REVENUE														
Bike Share	913.1	1,738.1		1,738.1	825.0	90.4%		1,738.1	825.0	90.4%				
Total Revenues	913.1	1,738.1		1,738.1	825.0	90.4%		1,738.1	825.0	90.4%				
NET EXP.														
Bike Share	0.0	0.0	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	-	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 2,000 bicycles utilizing 200 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.

The Bike Share Service's 2017 Operating Budget of \$1.738 million gross and \$0 million net and it is the same as the 2016 Approved Net Budget. However, the gross expenditure budget is \$0.825 million higher than those approved in 2016. This increase is offset by the corresponding revenue amount.

- 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. In 2016, Toronto Parking Authority selected a new equipment provider and increased the bike share system to 2,000 bicycles and 200 docking stations.
 - These expenses will be fully recovered from sponsorship and other revenues resulting in a \$0 net costs for this service.

The 2017 Operating Budget does not include any funding to further expand this service. Any further plans will be developed after the current Bike Share Program stabilizes and funding requirements will be identified during the 2018 and future year budget processes.



Part 3:

Issues for Discussion

Issues Impacting the 2017 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 expired 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.
- The Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority plan to report on the Income Sharing Renewal Agreement as part of the 2017 Budget process. The existing Income Sharing Agreement with the Toronto Parking Authority will be extended until such time as Council considers an updated Income Sharing Agreement.

Issues Referred to the 2017 Operating Budget Process

Recommendations approved during the 2016 Budget Process

During the 2016 Budget Process City Council approved the following recommendations:

- City Council directed the General Manager, Transportation Services, in consultation with the President, Toronto Parking Authority, to actively identify and take the necessary steps to implement new on-street paid parking opportunities where functionally safe and appropriate, and economically viable (for example locations where parking is not currently permitted, or free on-street parking is in effect) to supplement lost parking revenues and to improve service to local businesses by creating more short stay parking spaces in areas of need, and to report on the progress of this initiative to the Public Works and Infrastructure Committee by Fall 2016, prior to the 2017 Budget process.
- City Council directed the Chief Planner and Executive Director, City Planning, in consultation with the President, Toronto Parking Authority, to report to the Planning and Growth Management Committee in the first quarter of 2016, on the introduction of technical amendments to the Zoning By-law, for the purpose of refining the dimensional specifications for parking spaces required in connection with development projects, in a manner which will accommodate and facilitate the Toronto Parking Authority's potential participation and operation of public parking garages, to supplement lost parking revenue and to improve service to local businesses.

In response to the above recommendations:

- Toronto Parking Authority, in consultation with Transportation Services, identified about 1000 potential new paid parking locations in 4 downtown wards. It expects to start deploying the new locations in spring of 2017. Additional 1000 locations are still under review.
- Toronto Parking Authority continues to discuss and review dimensional specifications for parking spaces with the zoning team in City Planning, that also need to be coordinated by approval of the new zoning bylaw by the Ontario Municipal Board.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, 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).
- ✓ Achieved the strongest revenue growth from off- street parking in TPA's history.
- ✓ Refreshed all trail-blazer signage.
- ✓ Selected a new equipment provider and doubled the size of the bike share system to 200 stations and 2,000 bicycles. Bike Share Toronto ridership measured in trips also increased.
- ✓ 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

2017 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected	Rc'd.	from 2016		2018	2019
	\$	\$	\$	Actual *	Budget	\$	%	\$	\$
Salaries and Benefits	21,963.5	22,326.4	24,178.7	24,178.7	25,958.5	1,779.8	7.4%	25,958.5	25,958.5
Materials and Supplies	6,556.3	8,029.2	9,439.2	9,439.2	8,847.3	(591.9)	(6.3%)	9,491.8	9,533.9
Equipment	7,325.7	7,152.8	7,299.0	7,299.0	6,991.5	(307.5)	(4.2%)	6,991.5	6,991.5
Services & Rents	20,959.9	23,359.8	24,983.6	24,983.6	27,803.8	2,820.2	11.3%	26,911.6	27,795.0
Contributions to Capital							-		
Contributions to Reserve/Res Funds							-		
Other Expenditures	19,203.3	20,728.3	18,842.3	18,842.3	23,036.0	4,193.7	22.3%	21,306.2	22,085.0
Interdivisional Charges							-		
Total Gross Expenditures	76,008.7	81,596.5	84,742.6	84,742.6	92,637.0	7,894.3	9.3%	90,659.5	92,363.9
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	128,755.2	131,754.4	132,085.2	138,085.2	149,835.1	17,749.9	13.4%	149,331.8	152,318.5
Transfers from Capital Fund							-		
Contribution from Reserve/Reserve Funds			78.0	78.0	198.1	120.1	154.0%	198.1	198.1
Sundry Revenues	5,208.3	4,743.8	4,825.1	4,825.1	6,018.1	1,193.0	24.7%	6,018.1	6,018.1
Total Revenues	133,963.5	136,498.2	136,988.4	142,988.4	156,051.3	19,062.9	13.9%	155,548.0	158,534.7
Total Net Expenditures	(57,954.8)	(54,901.7)	(52,245.7)	(58,245.7)	(63,414.3)	(11,168.6)	21.4%	(64,888.5)	(66,170.8)
Approved Positions	285.0	299.4	302.4	302.4	309.0	6.6	2.2%	309.0	309.0

* Based on the 2016 9-month Operating Variance Report

For additional information regarding the 2016 Q2 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Six-Month Period Ended June 30, 2016" approved by City Council at its meeting on October 5, 2015.

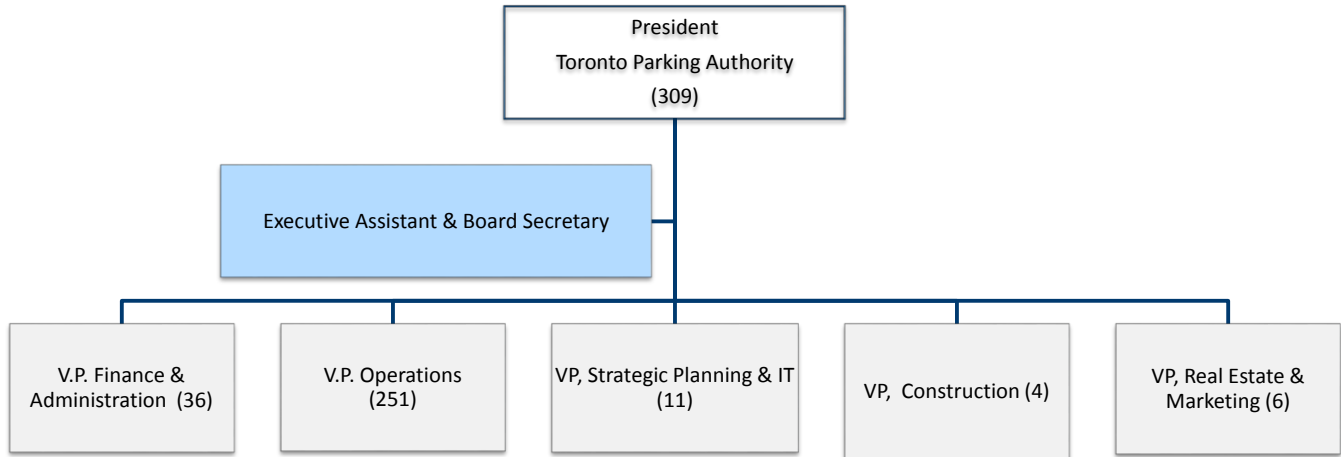
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX17.15>

Impact of 2016 Operating Variance on the 2017 Operating Budget

- The 2017 Operating Budget continues to reflect Off-Street Parking revenue recovery that was in decline prior to 2016 due to construction impacts and 2016 experienced Off-Street parking revenue recovery mainly in downtown fringe.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	7.0	13.0	70.0	166.0	256.0
Temporary				53.0	53.0
Total	8.0	30.0	47.0	214.4	309.0

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, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		324.4	324.4	126.3	126.3
Bike Share Program Reserve	XQ0013				
<i>Proposed Withdrawals (-)</i>			(198.1)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		324.4	126.3	126.3	126.3
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		324.4	126.3	126.3	126.3

* Based on the 2016 Q2 Reserve Fund Variance Report

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate ID	Rate Description	Service	Fee Category	Fee Basis	2016	2017			2018	2019
					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	\$4.43	\$4.43		\$4.43	\$4.43	\$4.43