



Robin Oliphant  
Acting President

Toronto Parking Authority  
33 Queen Street East, 2<sup>nd</sup> Floor  
Toronto, ON, M5C 1R5

Tel: (416) 393-7282  
robin.olipant@toronto.ca  
www.toronto.ca

## 2019 OPERATING BUDGET BRIEFING NOTE

### Toronto Parking Authority: Changes to Service and Rent Expenditures

#### Issue/Background:

At its meeting on February 6, 2019, Budget Committee requested a briefing note from Toronto Parking Authority with an explanation for the ‘Service and Rent’ expenditure rise, and for why ‘Other Expenditures’ is currently blank.

The following table provides a breakdown of Toronto Parking Authority’s expenditures and revenues by category. This table can also be located on page 14 of the 2019 Budget Notes for Toronto Parking Authority.

**Budget vs. Actual by Category of Expenditures and Revenues**

Category (In \$000s)	2016 Actual	2017 Actual	2018 Budget	2018 Projected Actual*	2019 Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	\$	%
Salaries and Benefits	24,604.7	25,330.1	28,186.4	27,297.6	28,513.1	326.6	1.2%
Materials & Supplies	8,107.8	7,600.4	8,532.9	5,987.6	7,584.9	(948.0)	(11.1%)
Equipment	6,338.0	6,669.4	6,781.3	6,763.0	7,475.3	694.0	10.2%
Service and Rent	26,599.2	31,980.5	34,239.1	32,832.7	57,026.0	22,786.9	66.6%
Other Expenditures	22,532.1	22,465.2	21,922.2	23,749.1		(21,922.2)	(100.0%)
<b>Total Gross Expenditures</b>	<b>88,181.8</b>	<b>94,045.6</b>	<b>99,662.1</b>	<b>96,630.0</b>	<b>100,599.4</b>	<b>937.3</b>	<b>0.9%</b>
User Fees & Donations	142,216.6	147,959.2	160,854.1	155,413.2	161,650.6	796.5	0.5%
Contribution From Reserves/Reserve Funds	3,056.6	927.4					
Sundry and Other Revenues	2,082.6	3,888.0	5,346.2	3,520.3	5,487.0	140.8	2.6%
<b>Total Revenues</b>	<b>147,355.8</b>	<b>152,774.6</b>	<b>166,200.3</b>	<b>158,933.5</b>	<b>167,137.6</b>	<b>937.3</b>	<b>0.6%</b>
<b>Total Net Expenditures</b>	<b>(59,174.0)</b>	<b>(58,729.0)</b>	<b>(66,538.2)</b>	<b>(62,303.5)</b>	<b>(66,538.2)</b>	<b>(0.0)</b>	<b>0.0%</b>
<b>Approved Positions</b>	<b>303.0</b>	<b>323.5</b>	<b>328.5</b>	<b>315.0</b>	<b>328.5</b>		

\* Year-End Projection Based on Q3 2018 Variance Report

#### Key Points:

- Prior to the 2019 Budget process, the ‘Other Expenditures’ category solely reflected the cost of municipal taxes incurred by the Toronto Parking Authority. In 2016 and 2017, municipal taxes amounted to approximately \$22.5 million annually. As of the 2018 Q3 Variance Report, municipal taxes were projected to account for approximately \$23.749 million by year-end of 2018.
- The municipal taxes expense item has been re-categorized in the 2019 Staff Recommended Operating Budget for Toronto Parking Authority to more appropriately reflect the costs

associated with 'Service and Rent'. In 2019, municipal taxes will cost the TPA \$24.434 million, which is included in the \$57.026 million identified in the 'Service and Rent' expenditure category.

- The increase in municipal taxes in 2019 is primarily attributable to escalated property assessments by the Municipal Property Assessment Corporation (MPAC).

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**Prepared by:** Robin Oliphant, Acting President, Toronto Parking Authority, 416-393-7282, [robin.oliphant@toronto.ca](mailto:robin.oliphant@toronto.ca)

**Further information:** Robin Oliphant, Acting President, Toronto Parking Authority, 416-393-7282, [robin.oliphant@toronto.ca](mailto:robin.oliphant@toronto.ca)

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