

PA9.5 Attachment 1

budget - 2020 -



Administrative Review

Toronto Parking Authority

**2020 Operating Budget and
2020 - 2029 Capital Budget & Plan Submission**

2020 Operating Budget Submission

What We Do and Who We Serve

What We Do

TPA is a key component within the municipal parking and mobility system, complementing and aligning with City transportation policy as well as collaborating with other City divisions and agencies to achieve City-wide initiatives. TPA provides customers with safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking and Bike Share services.

TPA operates 19,000 on-street and over 40,800 off-street parking spaces across 307 locations, processing over 35 million transactions. Bike Share Toronto’s operating system includes 5,000 bikes and 465 bike stations spanning almost 100 square kilometers with over 165,000 members and over 40 million kilometers travelled to date.

Why We Do It

Our services support the vibrancy of businesses and the livability of communities, being sensitive to the environment, and ultimately supporting the mobility of Toronto’s residents, businesses and visitors...our Customers. TPA:

- Provides competitively priced short-term, high turnover parking, to serve neighbourhood and commercial areas;
- Provides convenient, cost-effective Bike Share option for local trips;
- Discourage long-term parking, especially in downtown and mid-town commercial areas and commercial areas well served by transit; and
- Generates sufficient revenue to cover minimum operating and administrative costs, and either recover past capital costs or allow for future capital investment.

Who We Serve

Municipal Parking Services

- Residents
- Visitors / Tourists

Beneficiaries

- Residents
- Visitors / Tourists
- Local Businesses

Parking Management Services

- City Agencies
- Third-party developers

Beneficiaries

- City Agencies
- Residents
- Visitors/Tourists
- Local Businesses

Bike Share Toronto

- Residents
- Visitors / Tourists

Beneficiaries

- Residents
- Visitors / Tourists
- Local Businesses

Key Service Issues & Challenges for 2020 and Beyond

Competing Demand for Access to On-Street Curb Space	▪ Growing lack of available on-street curb space as competing demands from increasing peak traffic periods and policy initiatives such as bike lanes and Complete Streets, directly impact service levels and revenues through reduced parking space inventory and time of day restrictions ▪ Reduction of available parking spaces and access due to road closures, construction and special events ▪ Offering of local parking discounts to promote return of local traffic, such as the Eglinton Crosstown discount
Competing Off-Street Resource Demands	▪ Fewer opportunities to satisfy short-term parking demands by increasing parking supply in an environment with escalating land and development costs, competing resource usage while maintaining required investment rate returns ▪ Coordinating the City-wide Real Estate model transformation; supporting City-wide housing priorities
Rapidly Evolving Mobility Trends and Technology Disruption	▪ Maintaining and/or increasing service levels with competing curbside space demands during a period of transition with the rise of EV, AV, ride-hail, car share, electric scooters, eBikes, eCommerce and increasing transportation demands ▪ Operating efficiently and effectively in increasingly competitive and dynamic environment with disciplined selection of technological solutions to meet Customer expectations and returns ▪ Adapting to and mitigating broader environmental impacts

Service Objectives & Key Priority Actions

	Service Objectives	Key Priority Actions
Competing Demand for Access to On-Street Curb Space	Our Customer Focus is to: - meet and exceed our customers' expectations by providing a consistent, high quality, value-added municipal parking and Bike Share services, and - provide a convenient, cost-effective Bike Share option for local trips	✓ Support collaboration amongst City departments to minimize negative impact on parking revenues; seek new paid-parking opportunities ✓ Replace meters with machines and rationalize machine inventory; initiate mobile only zones ✓ Transition Bike Share operations to successful RFP bidder ✓ Implement Green P app version 2, improving customer experience, expanding payment options and enabling further GPS functionality for further marketing and Bike Share app integration opportunities
Competing Off-Street Resource Demands	Our Customer Focus is to: offer state-of-the-art eco-friendly parking facilities to support customer experience with operational excellence that provides safe, attractive, convenient and affordable parking	✓ In strategic alignment with City-wide Real Estate, execute 10-year Capital Plan by securing off-street parking; expansion of Bike Share's system to 6,000 bikes ✓ Modernize and standardize operations to provide a consistent customer service model ✓ Review and modernize our maintenance program ✓ Implement automated enforcement ticketing ✓ Continue implementation of greening features program
Rapidly Evolving Mobility Trends and Technology Disruption	Our Customer Focus is to: judiciously innovate and seek opportunities to enhance the customer service offering	✓ Expand retail payment options in gated facilities; establish roadmap for anticipated 2022 EMV changes ✓ Establish technology roadmap with consideration of Cloud trends ✓ Continue on-going corporate governance modernization ✓ Implement SAP S4Hana to improve access to real time data and improved analytics

Outcome Review

Outcomes	Description
Continuous Improvement and Transformation	✓ Support continuous improvement and on-going development of standard operating procedures and training programs across all departments ✓ Introduce new performance management system supporting leadership development and project management capabilities ✓ Re-fresh on-boarding and training programs ✓ Launch Employee engagement initiatives
Modernize Operations to Support Customer Focus	✓ Continue on-going development of standard operating procedures to provide consistent customer experience ✓ Assess and develop standard facilities maintenance program to ensure cleanliness and safety ✓ Align technology to support customer service; expand convenient retail payment options
Governance	✓ Review and establish Board governance policies and procedures where required ✓ Continually assess and refine contract management policies and procedures ✓ Establish procurement procedures to leverage technology and improve purchasing effectiveness ✓ Create internal platforms to improve collaboration, processes and controls efficiency and effectiveness
Leverage Technology	Implement SAP to support enterprise-wide objectives and strategic focus to deliver top quality, efficient services to our Customers by providing: ✓ Effective, efficient, transparent, exception management focused administration to support growth and transformation; accurate and timely metrics to support decision making ✓ Work order and asset management tools to align resources and staff activities, and ✓ Visibility to monitor and manage governance and compliance risk

2020 Operating Budget Submission

(in \$000s)	2017 Actual	2018 Actual	2019 Approved Budget	2019 Projected Actual	2020 Budget Request	Change v. 2019 Projected Actual	
By Service	\$	\$	\$	\$	\$	\$	%
Revenues							
On Street Parking	54,145.7	58,567.0	57,592.0	62,087.0	63,864.0	1,777.0	2.9%
Off Street Parking	96,072.8	96,701.5	103,425.6	97,013.4	101,587.9	4,574.5	4.7%
Total Revenues	150,218.5	155,268.5	161,017.6	159,100.4	165,451.9	6,351.5	4.0%
Expenses							
On Street Parking	11,017.5	10,840.8	12,091.6	11,716.6	11,662.4	(54.2)	-0.5%
Off Street Parking	78,572.0	78,389.1	82,362.8	78,487.3	83,689.6	5,202.2	6.6%
Total Gross Expenditure	89,589.5	89,229.9	94,454.4	90,203.9	95,351.9	5,148.0	5.7%
Net Parking Revenue before gains	60,629.0	66,038.6	66,563.2	68,896.5	70,100.0	1,203.5	1.7%
Gain on the sale of Property	926.9	935.7	-	6,783.6	-	(6,783.6)	-100.0%
Total Net Parking Revenue	61,555.9	66,974.3	66,563.2	75,680.1	70,100.0	(5,580.1)	7.4%
Bike Share Revenue	1,628.7	3,001.1	6,120.0	3,850.0	6,420.0	2,570.0	66.8%
Bike Share Expenses	4,456.1	5,638.1	6,145.0	6,190.0	6,420.0	230.0	3.7%
Total Net Bike Share Revenue	(2,827.4)	(2,637.0)	(25.0)	(2,340.0)		2,340.0	100.0%
Total TPA Net Revenue	58,728.5	64,337.3	66,538.2	73,340.1	70,100.0	(3,240.1)	4.4%
Total Approved Positions	323.5	328.5	328.5	328.5	326.5	(2.0)	0.6%

Key Service Outcomes & Cost Drivers

Service: Off Street Parking

Outcome: Modernization and Continuous Improvement

Key Cost Drivers		Base New/ Enhanced	Equity Impact (Low/Med/High)	2020 Operating Budget (In \$000s)			Annualized 2021
				Revenues	Expenses	Positions	
1	Escalating municipal tax property valuations				26,251.0		
2	Salaries, wages and benefits				25,622.0	294.5	
3	Depreciation				6,515.0		
4	Other Expenses				25,301.6		
5	Parking Revenue			101,587.9			
Total				101,587.9	83,689.6	294.5	

Service: On Street Parking

Outcome: Modernization and Continuous Improvement

Key Cost Drivers		Base New/ Enhanced	Equity Impact (Low/Med/High)	2020 Operating Budget (In \$000s)			Annualized 2021
				Revenues	Expenses	Positions	
1	Eglinton Crosstown discounts			(1,100.0)			
2	Payment processing & system fees				4,794.0		
3	Salaries, wages and benefits				2,836.0	32.0	
4	Other				4,032.4		
5	Parking Revenue			64,964.0			
Total				63,864.0	11,662.4	32.0	

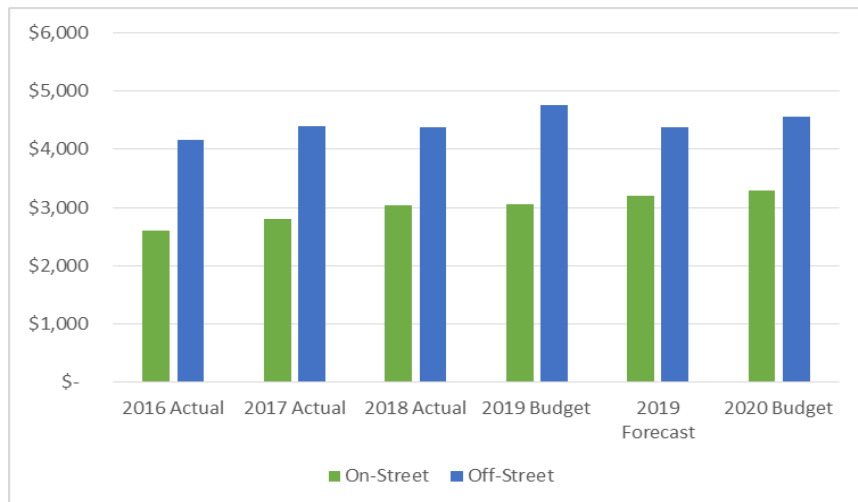
Key Service Outcomes & Cost Drivers

Service: Bike Share						
Outcome: Modernization and Continuous Improvement						
Key Cost Drivers	Base New/ Enhanced	Equity Impact (Low/Med/High)	2020 Operating Budget (In \$000s)			
			Revenues	Expenses	Positions	Annualized 2021
1 Negotiations for advertising and sponsorship			2,120.0			
2 User Fee Revenue			4,300.0			
3 Operating expenses				5,518.0		
4 Other				902.0	2.5	
5						
Total			6,420.0	6,420.0	2.5	

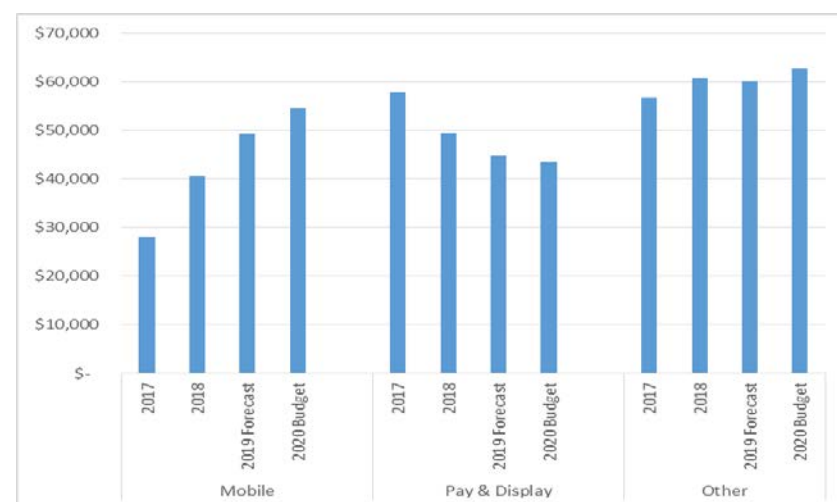
Outcome of the VBOR not available at this time

Key Service Performance Measures

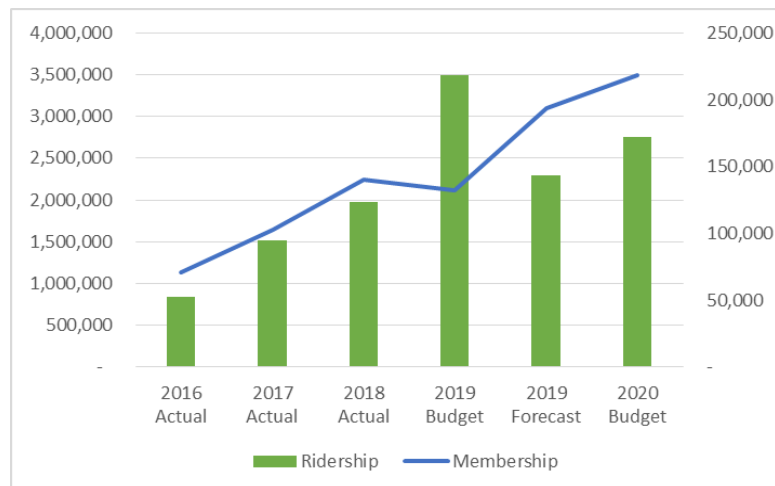
Average Revenue per Space (in dollars):



Parking Revenue by Payment Channel (\$000's):



Bike Share ridership and membership:



2020 – 2029 Capital Budget & Plan Submission

Key Capital Issues & Challenges for 2020 and Beyond

Establish Funding Sources	▪ Continuing special dividend requests in addition to a reduced net income retention rate ▪ Rising land and construction costs ▪ Lengthy approval process ▪ Low availability of suitable sites and lengthy negotiations on identified sites ▪ Implications of On-Street service supply reduction for Off-Street capital plans
City-wide Real Estate Alignment	▪ Coordinating the City-wide Real Estate model transformation; supporting City-wide housing priorities
Bike Share Expansion	▪ Strategic placement of new stations and docking points to maximize ridership

Key Capital Objectives & Priority Actions

Key Capital Objectives:

Toronto Parking Authority exists to provide safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.

Priority Actions:

- ✓ In strategic alignment with City-wide Real Estate, execute 10-year Capital Plan by securing Off-Street parking
- ✓ Continue to actively support joint development opportunities with private sector, City divisions and agencies and close current projects in line with City-wide Real Estate strategy
- ✓ Launch version 2 of the Green P app; provide additional marketing capabilities to support local business and integration with the Bike Share app
- ✓ Implement SAP S4Hana, providing CRM, HCM, work order and asset management functionality
- ✓ Upgrade of the enforcement platform in conjunction with Toronto Police Services providing automated ticketing
- ✓ Modernize and consolidate maintenance shop operations
- ✓ Continue GreenP+ and Mural program Off-Street lot greening initiatives
- ✓ Install new elevators to existing facilities to improve and provide accessibility
- ✓ Continue to implement state-of-good-repair maintenance and restoration programs
- ✓ Implement Toronto Bike Share system expansion

2020 - 2029 Capital Budget & Plan Submission

Capital Spend

\$ Million	2020 - 2029 Requested Capital Budget and Plan by Category					
	2020	2021	2022	2023	2024	5YR Avg
State of Good Repair	16.3	9.8	8.7	7.0	5.5	9.5
Growth Related	24.2	0.7	24.2	24.0	21.5	18.9
Service Improvement	24.2	8.5	44.4	26.0		20.6
Total	64.7	19.0	77.3	57.0	27.0	49.0

\$ Million	2020 - 2029 Requested Capital Budget and Plan by Category						
	2025	2026	2027	2028	2029	5YR Avg	Total 10 YR
State of Good Repair	5.5	5.5	5.5	5.5	5.5	5.5	74.8
Growth Related	44.9	25.3				14.0	164.8
Service Improvement	15.2					3.0	118.3
Total	65.6	30.8	5.5	5.5	5.5	22.5	357.9

Funding Source

\$ Million	2020 - 2029 Requested Capital Budget and Plan by Funding Source										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
TPA Retained Earnings	62.2	11.5	46.5	45.0	20.5	61.2	28.8	5.5	5.5	5.5	292.2
Sale of Air Rights		7.5	30.8	12.0	4.0	4.4					58.7
Provincial	2.0										2.0
Reserve Funds	0.5				2.5		2.0				5.0
Total	64.7	19.0	77.3	57.0	27.0	65.6	30.8	5.5	5.5	5.5	357.9

CAPITAL NEEDS CONSTRAINTS

- Currently TPA funds its capital requirements from Retained Earnings for parking operations
- Funding for the Bike Share program has been identified

Appendices

Toronto Parking Authority

Provide safe, attractive, self-sustaining, conveniently located and competitively priced on-street and off-street public parking as an integral part of the City of Toronto's transportation system

On-Street Parking

Purpose:

Provides safe, attractive, clean, convenient, well-maintained, affordable On-Street parking in support of the continued prosperity of the City's communities and local merchants

The Authority manages an estimated 19,000 On-Street spaces controlled by solar-powered pay-and-display technology or single space meters

Innovative GreenP app continues to simplify parking for the City of Toronto at our On-Street and Off-Street lots with continued increased adoption rates and transactions.

Off-Street Parking

Purpose:

Provides safe, attractive, clean, convenient, well-maintained, affordable Off-Street parking in support of the City's communities

The Authority manages approximately:

- 21,100 Off-Street spaces, which include automated and partially automated lots and garages and 178 lots operated with the GreenP app or Pay and Display machines
- 10,000 spaces at the Toronto Transit Commission park-and-ride facilities
- 3,000 spaces for the Parks, Forestry and Recreation Program along the waterfront and other areas of the City

Bike Share Program

Purpose:

Provides convenient access to high quality, well maintained bicycle rentals or urban cycling on a short-term basis

The Authority manages

- 5,000 bicycles
- 465 docking stations

Legend:

 Program
 Service

 Activity

Service Customer

On-Street Parking

- Residents
- Visitors / Tourists
- Local Business Customers

Indirect (Beneficial)

- Staff - City Divisions
- Staff - Agencies and Boards

Off-Street Parking

- Residents
- Visitors / Tourists
- Local Business Customers

Indirect (Beneficial)

- Staff - City Divisions
- Staff - Agencies and Boards

Bike Share Program

- Residents
- Visitors / Tourists
- Local Business Customers

Indirect (Beneficial)

- Staff - City Divisions
- Staff - Agencies and Boards

Appendix 1: Key Drivers by Category

Form Name		2020			2021 (Inc.)		2022 (Inc.)	
		Exp	Net	Pos	Net	Pos	Net	Pos
☐ 2019 Budget		100,599.4	(66,538.2)	328.5				
☐ Economic Factors								
☐ Divisional Economic Factors		1,589.5	1,589.5		525.0		535.5	
☐ Corporate Economic Factors								
Economic Factors Total		1,589.5	1,589.5		525.0		535.5	
☐ Salaries and Benefits								
☐ COLA		356.4	356.4		4.5		4.5	
☐ Salary and Step Adjustments		(312.0)	(312.0)		268.3		272.9	
☐ Benefits Adjustments		160.8	160.8		85.7		86.8	
☐ Other Adjustments								
☐ #	Not assigned			(328.5)				
☐ 20222	Complement			326.5				
Salaries and Benefits Total		205.1	205.1	(2.0)	358.4		364.2	
☐ Other Base Expenditure Changes								
☐ Other Base Changes								
☐ 20228	Bike share expenses	264.4	264.4		1,096.7		296.7	
☐ 20227	Investment Income - reduced cash available for investment		(1,419.8)		111.9		(90.9)	
☐ 20229	Changes to municipal taxes -open/close of Car Parks	160.0	160.0					
☐ 20231	Depreciation Changes due to capital purchases	689.1	689.1		176.4		181.8	
☐ 20245	Rented car park : CP302, 275,289	150.5	150.5		161.1		166.1	
☐ 20246	Reduced ticket paper and other miscellaneous supplies	(498.2)	(498.2)					
☐ 20249	Transactional payment processing - mobile & credit card exp	782.5	782.5		384.0		396.1	
☐ 20250	Reduction in Maintenance and Utilities	(1,171.7)	(1,171.7)				0.0	
☐ 20247	Equipment repairs	(998.7)	(998.7)		519.7		193.6	
Other Base Expenditure Changes Total		(622.1)	(2,041.9)		2,449.7		1,143.3	
☐ Base Revenue Changes								
☐ Base User Fee Changes (Inflation)			(3,314.5)		(3,510.0)		(2,747.0)	
Base Revenue Changes Total			(3,314.5)		(3,510.0)		(2,747.0)	
Grand Total		101,771.9	(70,100.0)	326.5	(176.8)		(704.0)	

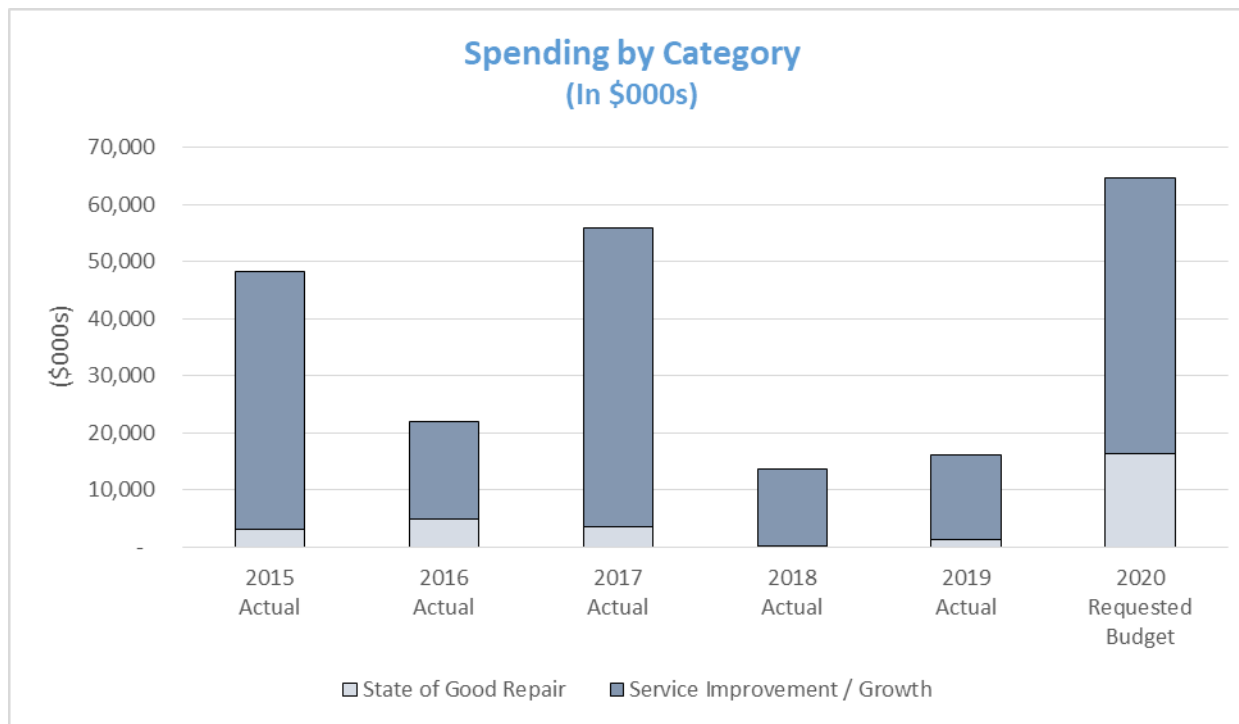
Appendix 2: VBOR Proposals including in Submission and Proposed

Outcome of the VBOR not available at this time

Appendix 3: 2020 and 2021 Plan Details

Form Name		2021 (Inc.)		2022 (Inc.)	
		Net	Pos	Net	Pos
+ COLA & Progression Pay		4.5		4.5	
- Other Adjustments					
- #	Not assigned				
- 20222	Complement	354.0		359.7	
Other Adjustments Total		354.0		359.7	
- Economic Factors					
- #	Not assigned				
- 19017	Corporate Economic Form for 2020				
- 20230	Realty taxes Mill rate and MPAC escalations	525.0		535.5	
- 20251	Other exps CPI				
Economic Factors Total		525.0		535.5	
- Other Base Changes					
- 20228	Bike share expenses	1,096.7		296.7	
- 20227	Investment Income - reduced cash available for investment	111.9		(90.9)	
- 20229	Changes to municipal taxes -open/close of Car Parks				
- 20231	Depreciation Changes due to capital purchases	176.4		181.8	
- 20245	Rented car park : CP302, 275,289	161.1		166.1	
- 20246	Reduced ticket paper and other miscellaneous supplies				
- 20249	Transactional payment processing - mobile & credit card exp	384.0		396.1	
- 20250	Reduction in Maintenance and Utilities			0.0	
- 20247	Equipment repairs	519.7		193.6	
Other Base Changes Total		2,449.7		1,143.3	
+ User Fees		(3,510.0)		(2,747.0)	
Grand Total		(176.8)		(704.0)	

Appendix 4: Capacity to Spend



	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Requested Budget
State of Good Repair	2,980	4,800	3,557	76	1,338	16,271
Service Improvement / Growth	45,120	17,100	52,367	13,476	14,816	48,353

Appendix 6: 10-year Capital Plan

	2020 Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2020 2029 Total
Total Expenditures by Category											
State of Good Repair											
<i>Structural Maintenance and Technology</i>	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	55,000
<i>All projects under \$2 million</i>	10,771	4,400	3,225	1,475	-	-	-	-	-	-	19,871
Sub Total	16,271	9,900	8,725	6,975	5,500	5,500	5,500	5,500	5,500	5,500	74,871
Service Improvements											
<i>St Lawrence Market North</i>	-	-	14,500	-	-	-	-	-	-	-	14,500
<i>King, West of Spadina (Re-investment Area)</i>	-	-	-	-	12,500	-	-	-	-	-	12,500
<i>St. Clair West CP 41 (Corso Italia)</i>	-	-	-	-	-	10,900	-	-	-	-	10,900
<i>Financial District East of University</i>	-	-	-	-	-	10,000	-	-	-	-	10,000
<i>Bay/Lakeshore (downtown fringe south)</i>	-	-	-	10,000	-	-	-	-	-	-	10,000
<i>Harbourfront</i>	-	-	-	-	-	10,000	-	-	-	-	10,000
<i>Bloor/ Bathurst</i>	-	-	-	-	-	-	8,500	-	-	-	8,500
<i>Redevelopment of CP 224 (34 Hannah Ave)</i>	-	-	-	8,000	-	-	-	-	-	-	8,000
<i>Yonge, S. of Eglinton</i>	-	-	-	-	-	7,000	-	-	-	-	7,000
<i>King E. of Spadina - Revitalization</i>	-	-	-	6,000	-	-	-	-	-	-	6,000
<i>All projects under \$5 million</i>	24,172	675	9,675	-	9,000	7,000	16,800	-	-	-	67,322
Sub Total	24,172	675	24,175	24,000	21,500	44,900	25,300				164,722
Growth Related											
<i>Acquisition - Etobicoke Civic Centre</i>	444	222	-	21,515	-	-	-	-	-	-	22,181
<i>Acquisition - 229 Richmond St West</i>	640	160	-	-	-	15,200	-	-	-	-	16,000
<i>CP 12/CP 223 (JV) 30 Alvin Ave</i>	180	-	8,820	-	-	-	-	-	-	-	9,000
<i>Acquisition CP 72 St Lawrence Market North</i>	160	-	8,220	-	-	-	-	-	-	-	8,380
<i>CP 15 Redevelopment (JV)</i>	144	7,056	-	-	-	-	-	-	-	-	7,200
<i>11 Wellesley</i>	7,050	-	-	-	-	-	-	-	-	-	7,050
<i>CP 219 (JV) 87 Richmond Street East</i>	130	65	6,320	-	-	-	-	-	-	-	6,515
<i>CP212 / 227 Adelaide and Spadina Re-development</i>	241	120	5,658	-	-	-	-	-	-	-	6,019
<i>St. Patrick CP 221</i>	58	58	5,667	-	-	-	-	-	-	-	5,783
<i>All projects under \$5 million</i>	15,135	793	9,648	4,551	-	-	-	-	-	-	30,127
Sub Total	24,181	8,474	44,333	26,066		15,200					118,254
Total Expenditures by Category	64,624	19,049	77,233	57,041	27,000	65,600	30,800	5,500	5,500	5,500	357,847