REPORT FOR ACTION

Toronto Parking Authority - 2023 September 30 Year-to-Date Financial Performance

Date: October 19, 2023
To: Audit and Risk Management Committee of the Board of Directors of Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

Toronto Parking Authority's (TPA) net income September 30, 2023 Year-to-Date was $32.2 million; +$13.2 million versus plan. Total revenues $108.2 million; +$4.0 million favourable, driven by better than expected parking revenues (87 index vs 2019; +3 points). Costs were $73.7 million; $4.3 million lower than plan driven by favourability on salaries due to selective hiring, project consulting programmes and facility costs.

Financing income was $3.5 million better than plan due to the higher interest rates on the cash balance. The monthly income is expected to decrease throughout the year as capital is deployed.

Current 2023 net income outlook is forecasted to be $37 to $41 million vs plan of $25.4 million.

Capital spend was $31.3 million as of September 30th with in flight commitments of $26.8 million. Management is forecasting to achieve planned TPA-led annual capital spend. We are actively engaging our City partners to ensure completion of total planned capital spend of $71.3 million.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, receive this report for information.

FINANCIAL IMPACT

There are no financial impacts from this report.

DECISION HISTORY

N/A

COMMENTS

Performance Tables

Table 1: *2023 YTD Results*

For the Period January 1 to September 30, 2023				
$000's	**Actual**	**Budget**	**Change**	
Off-Street revenue	62,085	57,726	4,359	7.6%
On-Street revenue	36,206	37,038	(832)	-2.2%
Bike Share revenue	8,470	8,121	349	4.3%
Total parking & user revenue	**$106,761**	**$102,886**	**$ 3,876**	**3.8%**
Other revenue	1,404	1,255	149	11.8%
Total revenue	**108,165**	**104,141**	**4,024**	**3.9%**
Direct expenses - operating	(43,085)	(45,321)	2,236	4.9%
Municipal property tax	(17,170)	(16,850)	(321)	-1.9%
Total operating expenses	**(60,256)**	**(62,171)**	**1,915**	**3.1%**
Operating income	**47,909**	**41,970**	**5,940**	**14.2%**
Indirect expenses	(13,422)	(15,850)	2,428	15.3%
EBITDA	**34,487**	**26,119**	**8,367**	**32.0%**
Finance income	4,555	1,030	3,524	342.0%
Amortization of property and equ	(6,818)	(8,132)	1,314	16.2%
Net Income	**$ 32,223**	**$ 19,017**	**$13,206**	**69.4%**

Highlights:

Net Income

Net income at $32.2 million; + $13.2 million better than plan. Highlights are:

- $4.0 million higher in revenue mainly driven by off-street parking
- $4.6 million lower in operating - direct and indirect expenses driven by salaries favourability on timing of hiring, project consulting programmes and facility costs
- $3.5 million resulting from higher than expected interest rates on cash balances
- $1.3 million lower amortization due to timing of capital deployment

Revenue

Total revenue was $108.2 million; $4.0 million higher than plan due to favourability in Off-street parking that includes $4.4 million as a result of price increases while overall transactions are comparable to plan.

Total parking revenue was at a post-Covid high averaging 87 percent in first nine months of 2023 compared to 75 percent for the same period in 2022.

Expenses

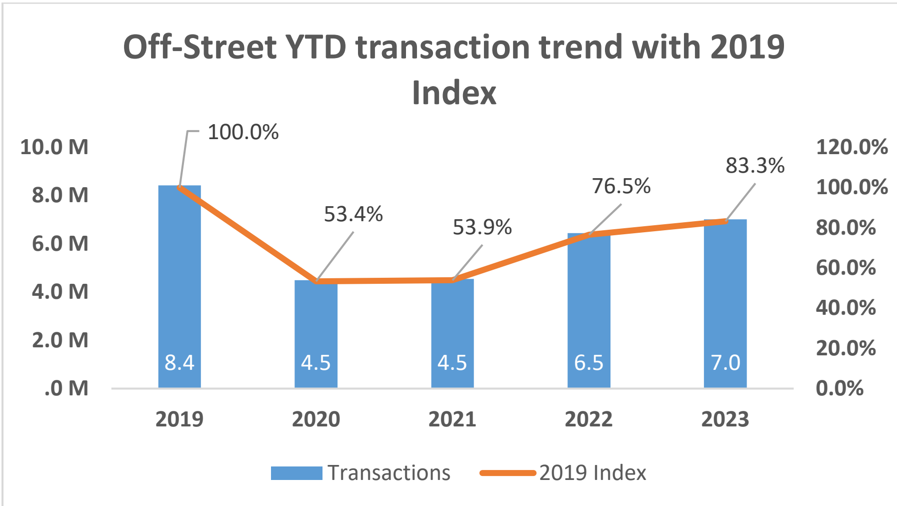
Total operating expense and indirect expenses was $73.7 million; $4.3 million lower than plan, driven by favourability on salaries due to timing of hiring, project consulting programmes and facility costs.

Financing Income

Financing income was $3.5 million higher than plan due to the higher interest rates on our cash reserves. Monthly income is expected to decrease as the year progresses and capital is deployed.

Table 2: *2023 Off-Street YTD Results*

For the Period January 1 to September 30, 2023				
$000's	**Actual**	**Budget**	**Change**	
Off-Street parking revenue	62,085	57,726	4,359	7.6%
Other revenue	1,404	1,255	149	11.8%
Total revenue	**63,489**	**58,981**	**4,508**	**7.6%**
Direct expenses - operating	(25,124)	(28,747)	3,624	12.6%
Municipal property tax	(17,170)	(16,850)	(321)	-1.9%
Total operating expenses	**(42,294)**	**(45,597)**	**3,303**	**7.2%**
Operating income	**21,195**	**13,384**	**7,811**	**58.4%**



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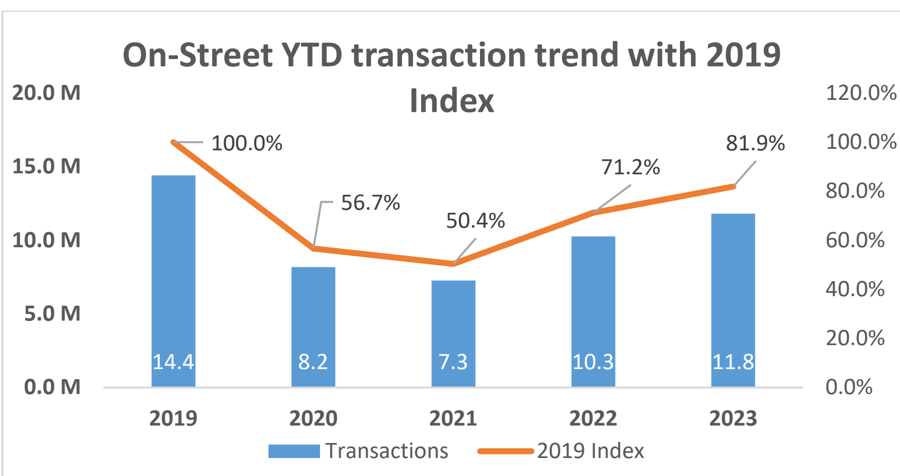
Off-street transactions in 2023 nine months indexed at 83.3% of 2019 levels trend:

Table 3: *2023 On-Street YTD Results*

For the Period January 1 to September 30, 2023				
$000's	**Actual**	**Budget**	**Change**	
On-Street parking revenue	**36,206**	**37,038**	**(832)**	**-2.2%**
Direct expenses - operating	(7,168)	(7,728)	560	7.2%
Total operating expenses	**(7,168)**	**(7,728)**	**560**	**7.2%**
Operating income	**29,038**	**29,311**	**(272)**	**-0.9%**



On-street transactions in 2023 first nine months indexed at 81.9% of 2019 levels:

Table 4: *2023 Bike Share Operations YTD Results*

For the Period January 1 to September 30, 2023				
$000's	**Actual**	**Budget**	**Change**	
Bike Share revenue	**8,470**	**8,121**	**349**	**4.3%**
Direct expenses - operating	(10,794)	(8,847)	(1,948)	-22.0%
Total operating expenses	**(10,794)**	**(8,847)**	**(1,948)**	**-22.0%**
Operating income	**(2,324)**	**(725)**	**(1,599)**	**-220.5%**

Bike Share Toronto continues to deliver strong performance in 2023. Highlights are as follows:

- Strong consumer uptake first nine months- ridership 4.5 million trips (+837,855 v 2022).
- 31,639 annual memberships sold YTD (+11.5% or 3,255 memberships v 2022).
- Revenue of $8.5 million is slightly higher than plan by $0.35 million, tracing to higher ridership volume offset by the unfavourable mix shift from casual ridership to annual members.
- Net loss from first nine months operations of $2.3 million, $1.6 million unfavourable due to higher than planned transaction and program costs, delayed price increase implementation and e-bike deployments not completed until August.

Ridership trend (first 9 months - last 5 years)

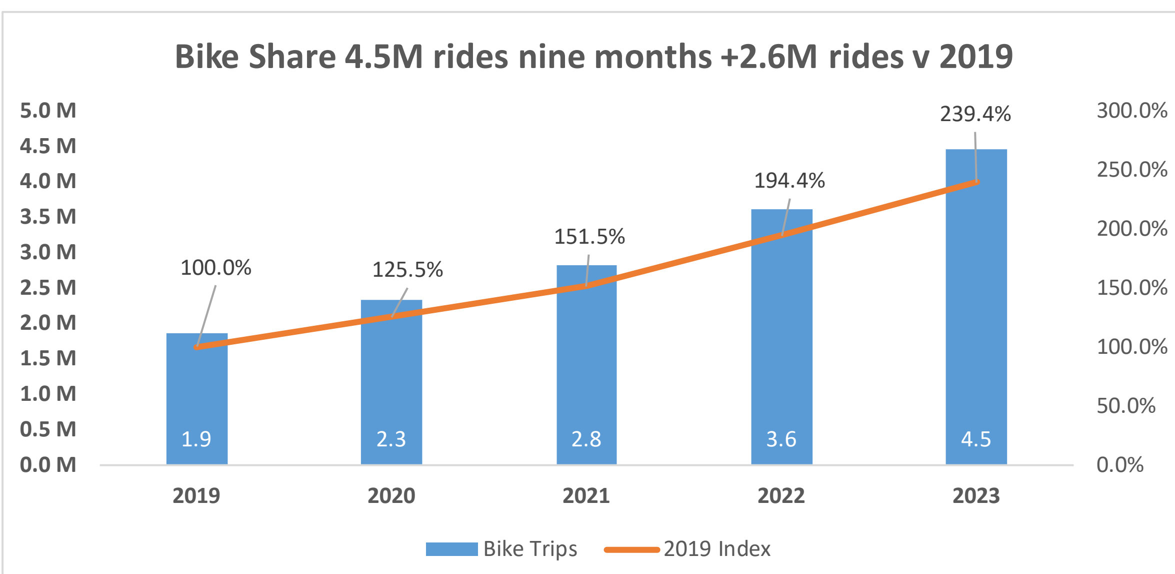


Table 5: *2023 Capital Spend September YTD Results*

For the Period January 1 to September 30, 2023				
$000's	**Original 2023 Budget**	**Sep YTD Spend**	**Purchase Order Commitments***	**Sum of Total Spent + Commitment***
Service Improvement & Growth	6,987	489	199	688
Bike Share	10,328	11,484	2,518	14,002
Acquisition	955	-	-	-
State Of Good Repairs	18,089	10,025	11,204	21,229
EV Off-Street	8,480	5,963	6,515	12,478
Health and Safety	1,912	-	-	-
TPA-Led	**46,751**	**27,961**	**20,436**	**48,397**
EV - On-Street	8,611	2,717	2,057	4,775
Health and Safety	-	486	315	801
City-Led	**24,546**	**3,364**	**6,377**	**9,741**
Grand Total	**71,297**	**31,325**	**26,813**	**58,138**

As at September 30th, capital spend was $31.3 million primarily delivered at municipal car park 43 (2 Church) and municipal car park 68 (30 St. Andrew) to support state of good repair, E-bike and electrification, our electric vehicle program and hydro connections.

In parallel, we are actively engaging with our City partners to ensure completion of City-led capital projects in 2023. Ethennonnhawahstihnen' Community Recreation Centre is partially open as of August with the associated garage open by end of 2023. St. Lawrence is expected to be completed in 2024 as communicated by the City of Toronto's Corporate Real Estate Management division. TPA is forecasted to deliver a 2023 capital spend rate of 80%+ vs plan with TPA led projects forecasted to be 100%+ vs plan.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority