



REPORT FOR ACTION

Toronto Parking Authority - Financial Performance for the Year Ended December 31, 2023 (UNAUDITED)

Date: February 26, 2024

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

Toronto Parking Authority's (TPA) net income for the year ended December 31, 2023, was \$38.1 million; +\$12.6 million versus plan. Total parking and user revenue was \$142.2 million; +\$5.7 million versus plan as parking revenues reached 83.1 percent of pre-pandemic levels (2019). Total operating costs were \$100.0 million; \$1.1 million lower than plan driven by favourability on salaries and facility costs. Financing income was \$4.6 million better than plan due to higher interest rates on the cash balance.

TPA capital spend was \$59.1 million, 82.9 percent versus plan. TPA led capital spend was \$50.9 million, +11.8 percent versus plan and represents management's best capital performance in over 15 years. City-led capital spend was \$8.2 million, 32 percent versus plan. Cash position exiting 2023 is \$82.7 million.

The 2023 Audited Financial statements will be presented at the April 2024 Audit Committee and May 2024 Board meetings.

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 Year to Date (YTD) Results

For the Twelve Months Ending December 31, 2023

\$000's	2023 Actuals	2023 Budget	2022 Actual	2023 Actual vs 2023 Budget		2023 Actual vs 2022 Actuals	
Off-Street revenue	82,582	76,992	71,712	5,591	7%	10,871	15%
On-Street revenue	50,586	51,282	44,847	(696)	-1%	5,739	13%
Bike Share revenue	8,993	8,163	6,905	830	10%	2,088	30%
Total parking & user revenue	142,161	136,436	123,464	5,725	4%	18,698	15%
Direct expenses - operating	(58,380)	(60,967)	(51,447)	2,587	4%	(6,932)	-13%
Contribution Margin	83,782	75,469	72,016	8,312	11%	11,765	16%
Indirect expenses - Operating	(41,638)	(40,182)	(34,590)	(1,456)	-4%	(7,048)	-20%
EBITDA	42,144	35,288	37,426	6,856	19%	4,718	13%
Finance Income	5,937	1,302	2,910	4,634	356%	3,026	104%
Amortization of property and equipment	(10,020)	(11,146)	(8,779)	1,126	10%	(1,241)	-14%
Net income	38,060	25,444	31,558	12,616	50%	6,503	21%

Highlights:

Net Income

Net income at \$38.1 million; + \$12.6 million versus plan. Highlights include:

- +\$5.7 million in parking and user revenue driven by off-street rate increase.
- \$1.1 million lower operating costs driven by favourability on salaries, facility costs.
- +\$4.6 million resulting from better-than-expected interest rates on cash balances.
- \$1.1 million lower amortization due to timing of capital deployment.

Revenue

Total revenue was \$142.2 million; \$5.7 million better than plan due to favourability in Off-street pricing. Total parking revenue was at a post-Covid high of 90.8 percent vs 2019 levels. Transactions improved to 83.5 percent of 2019 levels.

Expenses

Total operating costs were \$100.0 million, \$1.1 million favourable driven by salaries and facility costs.

Financing Income

Financing income was \$4.6 million better than plan due to the higher interest rates on our cash reserves.

Table 2: 2023 Off-Street Results

For the Twelve Months Ending December 31, 2023

\$000's	2023 Actuals	2023 Budget	2022 Actual	2023 Actual vs 2023 Budget	2023 Actual vs 2022 Actuals		
Off-Street parking revenue	82,582	76,992	71,712	5,591	7%	10,871	15%
Direct expenses - operating	(34,655)	(38,555)	(32,173)	3,899	10%	(2,483)	-8%
Contribution Margin	47,927	38,437	39,539	9,490	25%	8,388	21%

Total revenue was \$82.6 million; +\$5.6 million or 7 percent versus plan driven by rate increases. Total transactions indexed at 84.3 versus 2019.

Direct operating expenses were \$34.7 million; \$3.9 million favourable to plan mainly driven by salaries and facility costs. In support of TransformTO net zero strategy, executed LED replacement at targeted garages; drove \$0.7 million in energy savings.

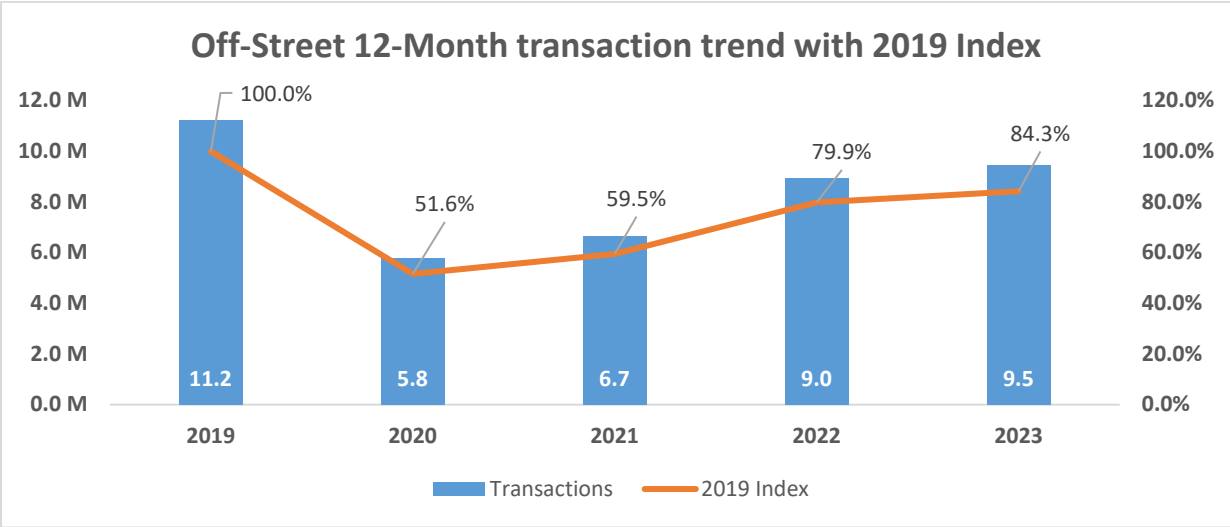


Table 3: 2023 On-Street Results

For the Twelve Months Ending December 31, 2023

\$000's	2023 Actuals	2023 Budget	2022 Actual	2023 Actual vs 2023 Budget	2023 Actual vs 2022 Actuals
On-Street Parking Revenue	50,586	51,282	44,847	(696) -1%	5,739 13%
Direct Expenses - Operating	(9,555)	(10,401)	(9,151)	846 8%	(404) -4%
Contribution Margin	41,031	40,881	35,695	150 0%	5,335 15%

On-Street parking revenues were \$50.6 million, \$0.7 million lower than plan, but +13 percent higher than prior year. Gap to plan traces to unfavourable mix shift to lower volume parking locations. Total transactions indexed at 83.1 versus 2019; +10.2 points versus 2022.

Total Operating expenses of \$9.6 million; +\$0.8 million favourable to plan tracing to salaries and continued cost containment.

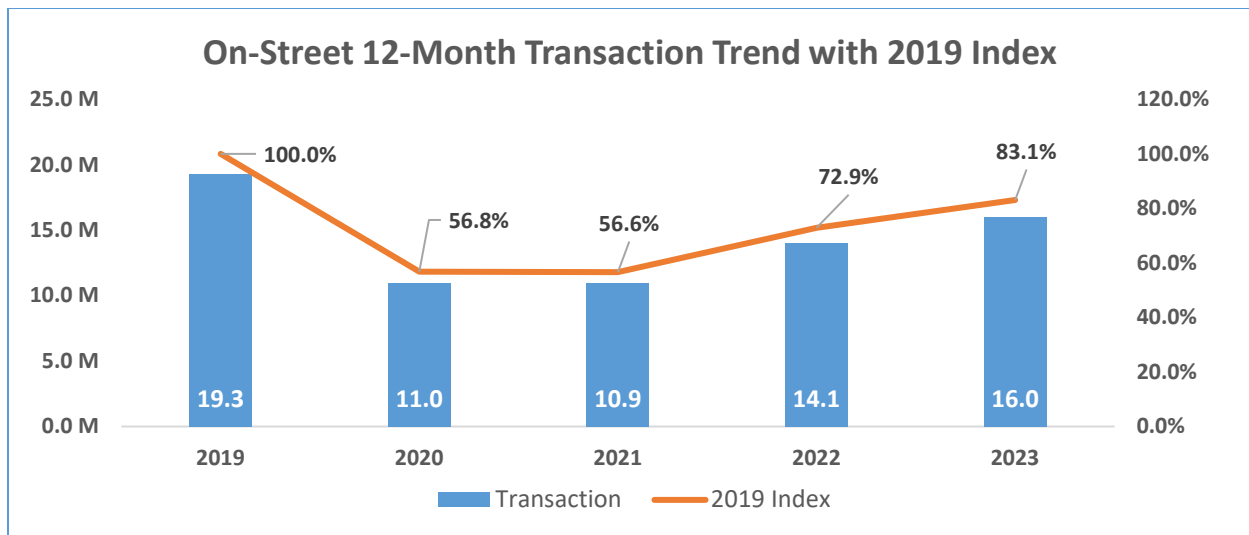


Table 4: 2023 Bike Share Operations Results

For the Twelve Months Ending December 31, 2023

\$000's	2023 Actuals	2023 Budget	2022 Actual	2023 Actual vs 2023 Budget	2023 Actual vs 2022 Actuals
Bike Share User Revenue	8,993	8,163	6,905	830 10%	2,088 30%
Direct expenses - operating	(14,169)	(12,011)	(10,123)	(2,158) -18%	(4,046) -40%
Contribution Margin	(5,176)	(3,848)	(3,218)	(1,328) -35%	(1,958) -61%

Bike Share Toronto continued to deliver strong ridership in 2023.

Twelve-month highlights are as follows:

- Strong consumer uptake achieving ridership of 5.7 million trips (+1.1 million versus 2022; +0.7 million versus plan).
- 35,463 annual memberships (+11.5 percent versus 2022).
- \$1.3 million worse on margins versus plan driven by changes in mix between casual riders and annual members.

Ridership Trend (12 months - last 5 years)

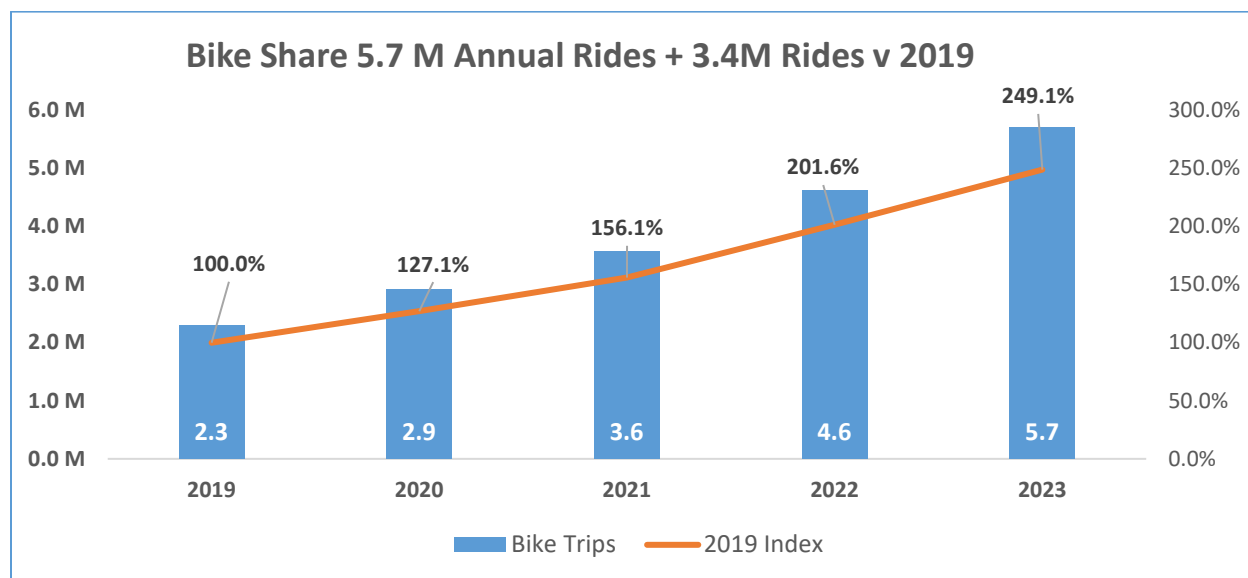


Table 5: 2023 Operating Expenses Excluding Amortization

For the Twelve Months Ending December 31, 2023

\$000's			2022	2023 Actual vs 2023		2023 Actual vs 2022	
	2023 Actual	2023 Budget	Actual	Budget	Actual	Actual	
Salaries, wages and benefits	\$ 26,682	\$ 33,466	\$ 25,783	\$ 6,783	20.3%	\$ (899)	-3.5%
Municipal taxes	24,332	22,686	21,073	(1,646)	-7.3%	(3,259)	-15.5%
Payment processing & system fees	10,074	9,568	8,998	(506)	-5.3%	(1,076)	-12.0%
Rent and shared income	6,121	6,441	5,260	320	5.0%	(861)	-16.4%
Maintenance	4,339	4,039	3,678	(301)	-7.4%	(661)	-18.0%
Security	4,077	3,917	3,143	(160)	-4.1%	(934)	-29.7%
Utilities	2,325	2,965	2,049	640	21.6%	(276)	-13.5%
Software licensing	2,879	2,199	2,125	(681)	-31.0%	(754)	-35.5%
Insurance	1,299	1,059	980	(239)	-22.6%	(319)	-32.6%
Legal and audit	729	800	329	71	8.9%	(400)	-121.4%
Other general and administration	17,161	14,010	12,620	(3,152)	-22.5%	(4,541)	-36.0%
Total operating expenses	\$ 100,018	\$ 101,149	\$ 86,038	\$ 1,131	1.1%	\$(13,979)	-16.2%

Total Operating expenses of \$100.0 million, +\$1.1 million versus plan mainly driven by:

- \$6.8 million lower Salaries, Wages and Benefits driven by higher vacancy rate, lower utilization of part-time staff and timing of new hires.
- (\$3.2) million in General and Administration mainly driven by higher marketing expenditures, and revenue-related costs.
- (\$1.6) million in Municipal taxes due to one-time provision
- (\$0.5) million in credit card fees on higher transaction processing

Table 5: 2023 Capital Spend December YTD Results

For the Twelve Months Ending December 31, 2023

\$000's	Original 2023 Budget	Dec YTD Spend
Service Improvement & Growth	6,987	3,554
Bike Share	10,328	14,103
Acquisition	955	107
State of Good Repairs	18,089	20,173
EV Off-Street	8,480	12,788
Health and Safety	1,912	224
TPA-Led	46,751	50,949
Acquisition	15,935	4,047
EV - On-Street	8,611	3,374
Health and Safety	-	768
City-Led	24,546	8,188
Grand Total	71,297	59,137

Capital spend was \$59.1 million, 82.9 percent versus Plan. TPA-led capital spend was \$50.9 million, 11.8 percent better than target of \$45.5 million. Major carry forward into 2024, a City-led project, will be St. Lawrence at \$14.0 million.

Key 2023 deliverables included:

- \$20.2 million on state of good repairs at key priority parking hubs.
- \$16.2 million building EV charging infrastructure; 407 chargers in market.
- \$14.1 million to support Bike Share strategy; +1,392 E-bikes, +515 Iconic bikes, +130 solar stations and +338 E-charging docks.
- \$4.0 million for completion of Car park 426
- \$2.0 million invested to install 225 Pay By Plate parking equipment.

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SIGNATURE

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Toronto Parking Authority