REPORT FOR ACTION

2025 Corporate Goals

Date: February 14, 2025
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

The purpose of this report is to provide a recommendation for the 2025 Corporate Goals and performance targets to be utilized in the Toronto Parking Authority's 2025 Short-Term Incentive Program (STIP).

Toronto Parking Authority (TPA) continues its journey towards becoming the world's premiere provider of sustainable parking, bike share and last-mile mobility experiences. The organization is focused on creating a performance-based culture that consistently delivers sustainable results for its customers, staff and city stakeholders.
This report provides a recommendation for the 2025 Corporate Goals, including specifics of the performance targets to be incorporated into the STIP for 2025.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, approve the 2025 Corporate Goals and performance targets as indicated in this report.

2. The Board of Directors, Toronto Parking Authority, direct the President, Toronto Parking Authority, to implement the 2025 Corporate Goals and performance targets for the Short-Term Incentive Plan as indicated in this report.

FINANCIAL IMPACT

There is no financial impact resulting from this report as it is included in the approved budget.

DECISION HISTORY

At its meeting on March 26, 2024, the Board of Directors of the Toronto Parking Authority approved the 2024 Corporate Goals and performance targets as indicated in the report (March 7, 2024) from the President, Toronto Parking Authority, and directed the President to implement the 2024 Corporate Goals and performance targets for the Short-Term Incentive Plan as indicated in the report (March 7, 2024) from the President, Toronto Parking Authority.
https://secure.toronto.ca/council/agenda-item.do?item=2024.PA8.14

On April 21, 2023, the Board of Directors of the Toronto Parking Authority directed the President, Toronto Parking Authority to implement the 2023 Corporate Goals and Key Performance Indicator targets for the Short-Term Incentive Plan.
https://secure.toronto.ca/council/agenda-item.do?item=2023.PA3.6

At its meeting on December 12, 2022, the Board of Directors of the Toronto Parking Authority approved revisions to the compensation plan for the President. https://secure.toronto.ca/council/agenda-item.do?item=2023.PA1.13 At its meeting on July 26, 2022, the Board of Directors of the Toronto Parking Authority approved revisions to the compensation plan for Vice-Presidents and Directors. http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA31.3 The Board of Directors of the Toronto Parking Authority at its meeting on May 27, 2022 considered item PA30.14 "Executive Compensation Review" and received an update on an executive compensation review conducted by a third party.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA30.14

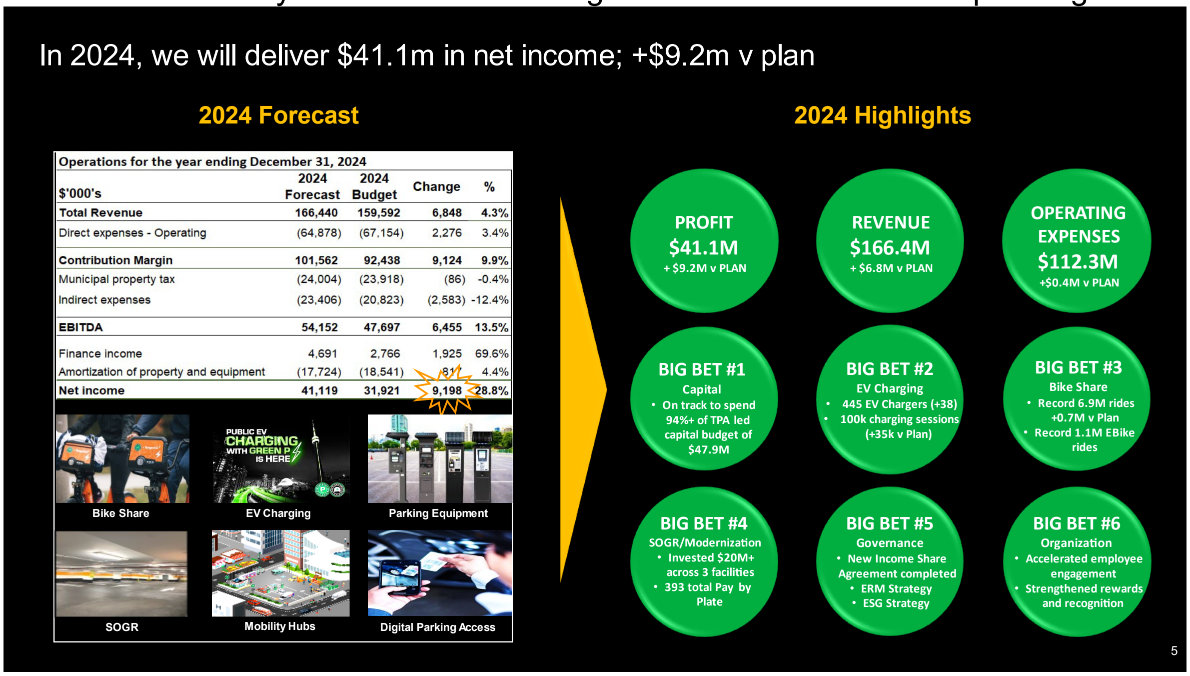
COMMENTS

In 2022, the Board of Directors of the Toronto Parking Authority approved a revised compensation plan for executives and directors, that was consistent with Toronto City Council's direction under Item EX44.8, "Executive Compensation Policy at City Agencies and Corporations". The compensation plan, which includes a Short-Term Incentive Plan (STIP), remains consistent with Toronto City Council's most recent direction under Item 2023.EX6.1, "Review of City of Toronto Guiding Principles for Executive Compensation Policies at City Agencies and Corporations".

2024 Corporate Goals and Performance Results

Last year, the Board approved TPA's 2024 Corporate Goals and performance targets for the 2024 Short Term-Incentive Plan (STIP). The STIP is an integral part of total compensation, for which executives and senior leadership are eligible, and is measured against a set of specific corporate goals and objectives, which are established annually.

As illustrated in the chart below, the goals and performance metrics integrated into the 2024 STIP were key enablers to delivering the TPA's 2024 Annual Operating Plan.



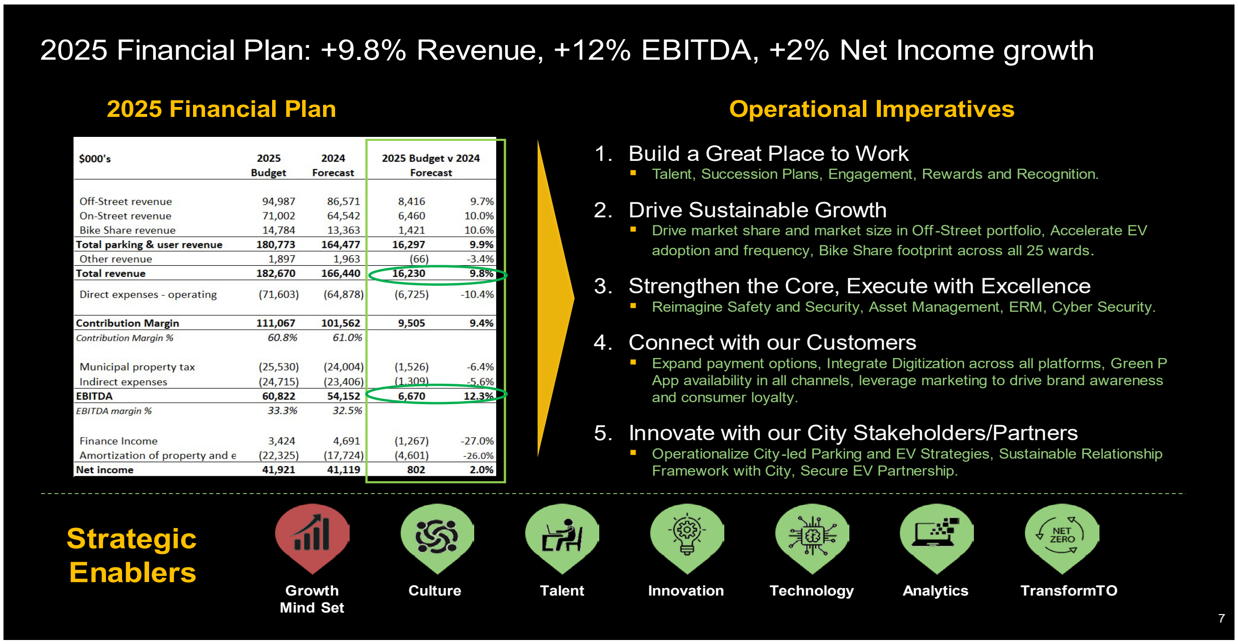
In 2024, TPA exceeded two of four objectives, and was on target for the remainder. Total performance indexed at 114 versus target. Table 1 summarizes the 2024 Corporate Goals and associated performance results.

Table 1: *Performance Results for 2024 Corporate Goals*

	CORPORATE GOALS	Weight	Results	Corporate Performance Achieved
Goal #1	Deliver Planned Profit of $31.9 Million.	40%	• Delivered $44.7 Million (Unaudited) • Exceeded planned profit by 40%. • Exceeded Target, 125 index.	50%
Goal #2	Deliver $35.6M TPA Led capital projects. *After budget adjustment for Income Sharing Agreement	25%	• $36.2M achieved TPA Led Capital Commitments + Actuals. • Capital Target exceeded by 2%. • On Target, 100 index.	25%
Goal #3	Connect with the Customer through Equipment Modernization: 1. GreenP App and EV Payment Integration 2. GreenP App Integration with Gated Equipment 3. Bike share electrification minimum 300 new e-docks 4. Secure strategic partner for EV	20%	• Delivered three of four initiatives – On Target. 1. GreenP App and EV Payment Integration completed – On Target. 2. GreenP App Integration with Gated Equipment completed – On Target. 3. Bike share electrification minimum 300 new e-docks delivered - On Target. 4. Secure strategic partner for EV not delivered – Below Target. • On Target, 100 index.	20%
Goal #4	Drive 10-point increase in engagement score or 24% increase vs 2022.	15%	• Engagement score of 70 achieved, an increase of 28 points representing an improvement of 67%. • Exceeded Target, 125 index.	19%
		100%		114%

Recommendation for 2025 STIP

The 2025 performance targets have been prepared for the Board's consideration. The chart below, approved and confirmed by the Board during the 2025 budget process, provides context for the recommended performance metrics for the 2025 Short-Term Incentive Plan.



$000's	2025 Budget	2024 Forecast	2025 Budget v 2024 Forecast	
Off-Street revenue	94,987	86,571	8,416	9.7%
On-Street revenue	71,002	64,542	6,460	10.0%
Bike Share revenue	14,784	13,363	1,421	10.6%
Total parking & user revenue	**180,773**	**164,477**	**16,297**	**9.9%**
Other revenue	1,897	1,963	(66)	-3.4%
Total revenue	**182,670**	**166,440**	**16,230**	**9.8%**
Direct expenses - operating	(71,603)	(64,878)	(6,725)	-10.4%
Contribution Margin	**111,067**	**101,562**	**9,505**	**9.4%**
Contribution Margin %	*60.8%*	*61.0%*		
Municipal property tax	(25,530)	(24,004)	(1,526)	-6.4%
Indirect expenses	(24,715)	(23,406)	(1,309)	-5.6%
EBITDA	**60,822**	**54,152**	**6,670**	**12.3%**
EBITDA margin %	*33.3%*	*32.5%*		
Finance Income	3,424	4,691	(1,267)	-27.0%
Amortization of property and e	(22,325)	(17,724)	(4,601)	-26.0%
Net income	**41,921**	**41,119**	**802**	**2.0%**

Management recommends the following objectives, as described in Table 2, for the 2025 STIP.

Table 2: *2025 Corporate Goals and Performance Targets*

GOAL	CORPORATE GOALS	WEIGHT		PAYOUT FOR PERFORMANCE LEVELS
Goal #1	Deliver Planned Profit of $41.9 Million.	30%		If less than 75% of planned profit is achieved, payout level is 0%.
				If 75% to less than 97% of planned profit is achieved, payout level increases on a straight-line basis from 50%.
			On-Target	If 97% to less than 105% of planned profit is achieved, payout level is 100%.
				If 105% to less than 110% of planned profit is achieved, payout level increases on a straight-line basis up to 124%.
				If 110%+ of planned profit is achieved, payout level is 125%.
Goal #2	Deliver $54.5M on TPA led capital projects.	20%		If 90% or less capital goal is achieved, payout level is 0%.
				If over 90% and less than 95%, payout is 50%.
			On-Target	If 95%+ of capital goal is achieved, payout level is 100%.
Goal #3	Develop a three year succession management strategy for senior leadership roles at TPA.	20%		Succession plans developed for less than 7 critical director roles, payout is 0%.
			On-Target	Succession plans developed for 7 critical director roles, payout is 100%.
				Succession plans developed for 7 critical director roles and executive roles, payout is 125%.
Goal #4	Create better customer engagement by leveraging real-time data to drive insights and marketplace action: 1 - Develop and execute a customer insight strategy to drive incremental parking transactions. 2 - Launch license plate recognition technology at 3 off-street locations. 3 - Integrate Green P QR code into customers' digital wallets; 4 - Develop a Green P digital solution for seamless B2B fleet EV charging.	15%		If less than 2 initiatives are delivered, payout level is 0%
				If 2 out of 4 initiatives are delivered, payout level is 50%.
			On-Target	If 3 out of 4 initiatives are delivered, payout level is 100%.
				If 4 out of 4 initiatives are delivered, payout level is 125%.
Goal #5	Drive sustainable revenue growth: 1 - Secure Board approval for the 2026-2030 bike share strategy. 2 - Secure external strategic partnership to scale our City-wide EV charging strategy.	15%		If no initiatives delivered, payout level is 0%.
			On-Target	If 1 out of 2 initiatives are delivered, payout level is 100%.
				If 2 out of 2 initiatives are delivered, payout level is 125%.
		100%		

The 2025 scorecard in Table 2 is designed to drive enterprise-wide focus against our operational imperatives. The weightings continue to underscore the importance of delivering results in a balanced fashion while recognizing the requirement to deliver our financial and capital commitments. Non-financial goals include a continued focus on delivering improved customer service, top line growth, talent development, and succession management.

Conclusion

The Board approved STIP has been a catalyst in creating a performance-based culture at the Toronto Parking Authority. Management recommends that the Board approve the 2025 performance objectives for the 2025 Short-Term Incentive Plan (STIP)

CONTACT

Arlene Yam Fritz, Vice President, Human Resources, Toronto Parking Authority, 437-993-9230, arlene.yam.fritz@greenpmobility.com

SIGNATURE

W. Scott Collier
President

ATTACHMENTS

None