



## OPERATING PROGRAM SUMMARY



## Toronto Parking Authority 2014 OPERATING BUDGET OVERVIEW

### What We Do

The Toronto Parking Authority (TPA) 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.

### 2014 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2014 is \$76.106 million that will generate revenue of \$138.436 million, as shown below.

(In \$000s)	2013	2014	Change	
	Budget	Budget	\$	%
Gross Expenditures	72,216.9	76,106.0	3,889.1	5.4%
Gross Revenue	135,398.1	138,435.8	3,037.7	2.2%
Net Expenditures	(63,181.2)	(62,329.8)	851.4	-1.3%

Moving into this year's budget the Toronto Parking Authority was facing a gross pressure of \$3.889 million due mainly to the cost of inflation and cost of living increases for staff, as well as increased costs for managed lots. By realigning expenditures based on actual costs and increasing parking and other revenues, the TPA was able to absorb most of its inflationary pressures.

The remaining pressure of \$0.851 million will fund enhanced security presence and new mobile payment technologies.

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## Fast Facts

- 22,100 off-street spaces in over 200 facilities.
- 19,000 on-street spaces controlled by solar powered pay and display machines or meters.
- Over 16,000 spaces operated for third parties, including TTC and Parks, Forestry and Recreation.

## Trends

- 2009 through 2012 have seen less revenue growth of **off-street** parking, which is attributed to the weakening economy during that period. However, excluding property tax expenses, net income per space is now on an upward trend.
- Net Income per space has increased, however **on-street** parking revenues are on decline arising from other road uses and on-going road construction activities.

## Our Service Deliverables for 2014

The 2014 Operating Budget for Toronto Parking Authority of \$76.106 million gross provides funding for:

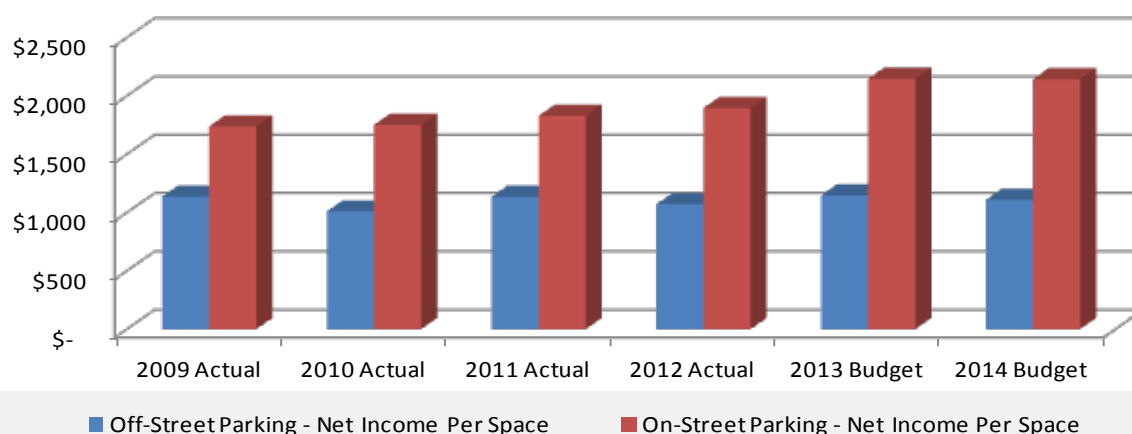
## On-Street Parking:

- Managing an estimated 19,000 on-street spaces controlled by over 2,700 highly successful and profitable pay-and-display environmentally friendly technology based and 650 single spaced meters.
- Continuing to improve customer service by providing alternative payment options and services at lower costs through environmentally friendly technology (solar power) and automation.

## Off-Street Parking:

- Maintaining approximately 22,100 off-street spaces which include: 12 attended lots, 14 fully automated garages, and, 172 unattended lots.
- Continuing to operate, on behalf of the Toronto Transit Commission, roughly 13,800 spaces at their park-and-ride facilities and parking lots.
- Continuing to manage for the Parks, Forestry and Recreation Program, parking facilities along the waterfront and other areas in the City accounting for an additional 2,175 spaces mostly operated on a seasonal basis.

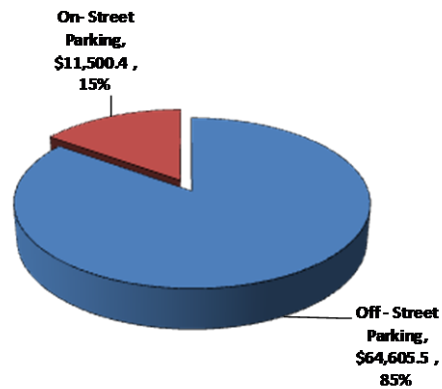
## Net Income Per Space



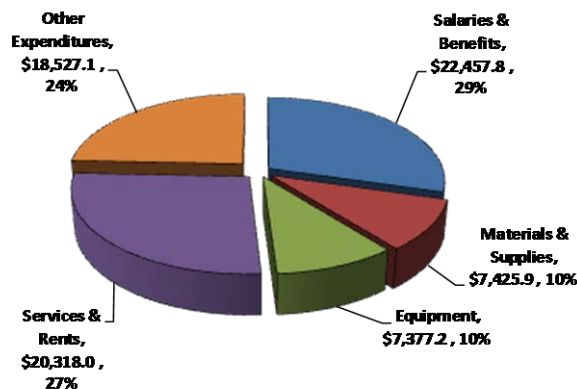
## 2014 Budget Expenditures & Funding

### Where the money goes:

**2014 Operating Budget by Service  
\$76.106 Million**

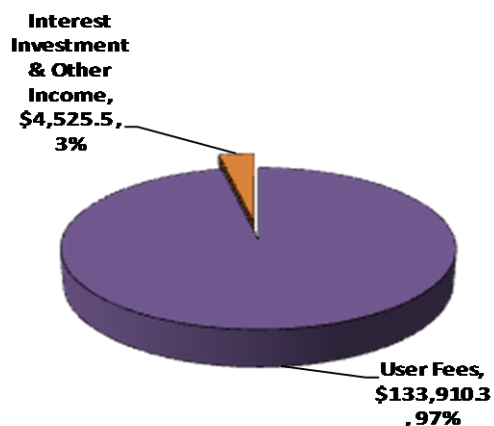


**2014 Operating Budget by Expenditure Category**



### Where the money comes from:

**2014 Operating Budget Funding Source  
\$138.435 Million**



### Our Key Challenges

- Maintaining historic profit margins in the face of rising land and development costs.
  - ✓ The 2014 Budget reflects savings of \$0.404 million based on a detailed review of operating expenses.
- Innovative and efficient expansion of Services by utilizing new technologies.
  - ✓ The 2014 Budget allocates funding for development of a mobile payments pilot project allowing for the use of cell phone/smart phone/tablet based technologies.

### Our Priority Actions

- Continue maximizing/leveraging land values through joint development with private sector.
- Complete mobile payment pilot project.
- Achieve Payment Card Industry (PCI) compliance.
- Further develop gift/loyalty card program.

## II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

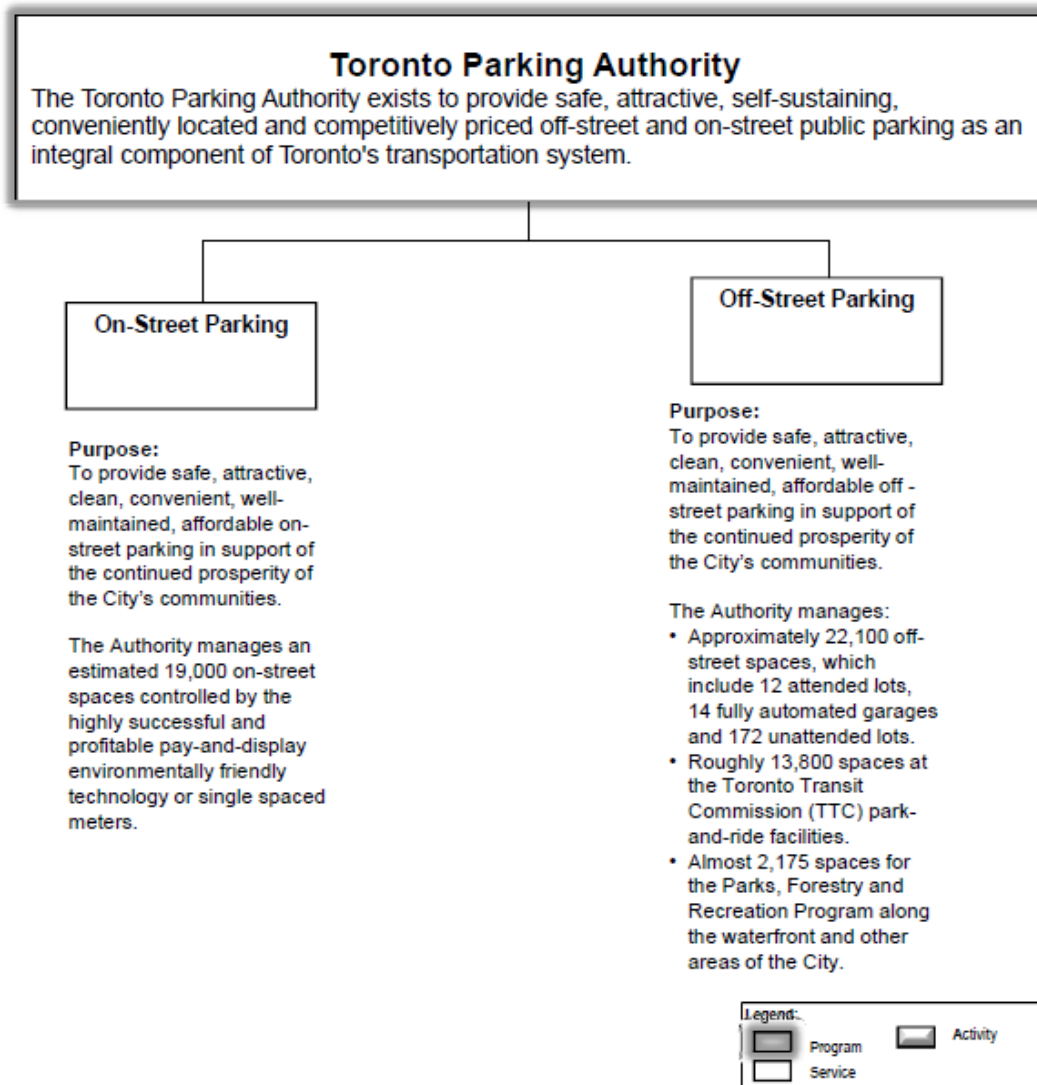
1. City Council approve the 2014 Operating Budget for the Toronto Parking Authority of \$76.106 million gross and (\$62,330) million net, comprised of the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
On-Street Parking	11,500.4	(41,674.3)
Off- Street Parking	64,605.5	(20,655.5)
Total Program Budget	<u>76,106.0</u>	<u>(62,329.8)</u>

2. The Toronto Parking Authority's services and 2014 proposed service levels, as outlined on pages 7 and 8 and associated staff complement of 297.4 be approved.

### III: 2014 SERVICE OVERVIEW AND PLAN

#### Program Map



#### Service Customer

##### On-Street Parking

- Local Business Customers
- People on Personal Business
- People on Business
- Short Stay Customers

##### Off-Street Parking

- Local Business Customers
- People on Personal Business
- People on Business
- Longer Stay Customers
- Residential

## 2014 Service Deliverables

The 2014 Operating Budget for Toronto Parking Authority of \$76.106 million gross provides funding for:

### On-Street Parking:

- Manage an estimated 19,000 on-street spaces controlled by over 2,700 highly successful and profitable pay-and-display environmentally friendly technology based and 650 single spaced meters.
- Continue to improve customer service by providing alternative payment options and services at lower costs through environmentally friendly technology (solar power) and automation.

### Off-Street Parking:

- Maintain approximately 22,100 off-street spaces which include: 12 attended lots, 14 fully automated garages, and, 172 unattended lots.
- Continue to operate, on behalf of the Toronto Transit Commission, roughly 13,800 spaces at their park-and-ride facilities and parking lots.
- Continue to manage for the Parks, Forestry and Recreation Program parking facilities along the waterfront and other areas in the City accounting for an additional 2,175 spaces mostly operated on a seasonal basis.

## Service Profile: On-Street Parking

### On-Street Parking

#### Purpose:

To provide safe, attractive, clean, convenient, well-maintained, affordable on-street parking in support of the continued prosperity of the City's communities.

The Authority manages an estimated 19,000 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters.

## What we do

- Provide safe, attractive, clean, convenient, well-maintained, affordable on-street parking in support of the continued prosperity of the City's communities.

## 2014 Service Levels

The 2014 service levels for On-Street Parking Services are detailed in the table below:

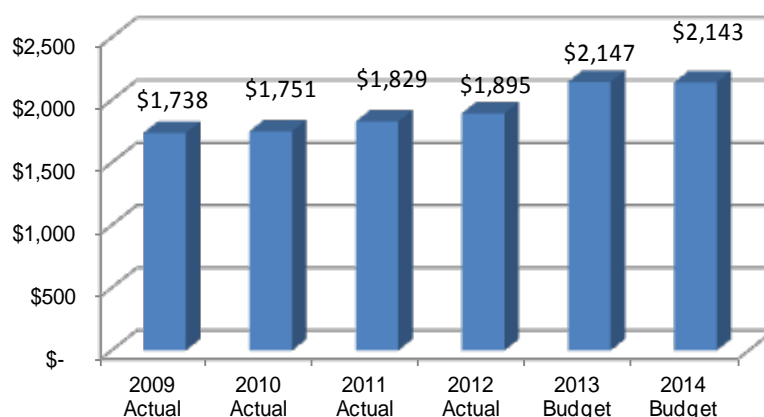
Activity	Type	Service Levels			
		2011	2012	2013	2014
On-Street Parking		80%-90% occupancy of available spaces in established areas			80% occupancy of available spaces in established areas

- The Toronto Parking Authority's 2014 Service Levels anticipate an 80% occupancy rate for available on-street parking. This service level is defined to reflect a minimum occupancy level in established areas compared to a range of occupancy levels in previous years. The minimum service level is consistent with the 2013 service levels.

## Service Performance Measures

### Effectiveness Measure – On-Street Parking – Net Income per Space

#### On-Street Parking - Net Income Per Space



- Net income per on-street parking space has grown since 2009. However, in 2013 revenues are on decline as a result of other road uses and on-going road construction activities.
- Utilization of technology has kept cost increases in line with revenue.
- The continued utilization of new technologies is expected to return a greater income per parking space in the future.



## Service Profile: Off-Street Parking

### Off-Street Parking

#### Purpose:

To provide safe, attractive, clean, convenient, well-maintained, affordable off-street parking in support of the continued prosperity of the City's communities.

#### The Authority manages:

- Approximately 22,100 off-street spaces, which include 12 attended lots, 14 fully automated garages and 172 unattended lots.
- Roughly 13,800 spaces at the Toronto Transit Commission (TTC) park-and-ride facilities.
- Almost 2,175 spaces for the Parks, Forestry and Recreation Program along the waterfront and other areas of the City.

## What we do

- To provide safe, attractive, clean, convenient, well-maintained, affordable off-street parking in support of the continued prosperity of the City's communities.

## 2014 Service Levels

The 2014 service levels for Off-Street Parking are detailed in the table below:

Activity	Type	Service Levels			
		2011	2012	2013	2014
Off-Street Parking	Surface Car Parks	80%-90% occupancy of available spaces in established areas			80% occupancy of available spaces in established areas
	Parking Garages	80%-90% occupancy of available spaces in established areas			80% occupancy of available spaces in established areas

- The Toronto Parking Authority's 2014 Service Levels anticipate an 80% occupancy rate for available off-street parking. This service level is defined to reflect a minimum occupancy level for both surface carparks and parking garages, compared to a range of occupancy levels in previous years. The minimum service level is consistent with the 2013 service levels.

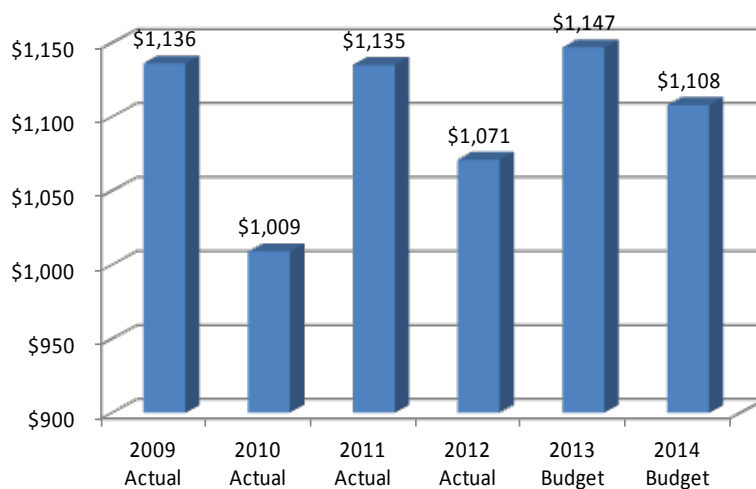


- Service levels and standards provided by the Toronto Parking Authority for off-street parking reflect the differing functions and needs of unique business communities, and as such are not harmonized across the City. For example, off-street parking services range from small surface lots for local retail development to large multi-deck garages in high density centres.

## Service Performance Measures

### Effectiveness Measure – Off Street Parking – Net Income per Space

#### Off-Street Parking - Net Income Per Space



- The ability of the Authority to maintain historical off-street profit margins are becoming more difficult as operating costs continue to grow.
- 2009 through 2012 have been years of slowing revenue growth compared to prior years which has been attributed to the weakening economy during this period, resulting in a decline in net income per off-street parking space over that period.
- However, net income per space excluding property tax expense is on an upward trend.

## IV: 2014 Operating Budget

### 2014 Operating Budget (In \$000s)

(In \$000s)	2013		2014 Operating Budget			2014 vs. 2013 Budget Changes		Incremental Change 2015 and 2016 Plan			
	Budget	Projected Actual	2014 Base	2014 New/Enhanced	2014 Rec.Budget			2015		2016	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>Off - Street Parking</b>											
Gross Expenditures	60,820.8	62,693.4	64,129.4	476.1	64,605.5	3,784.7	6.2%	1,356.7	2.1%	1,319.2	2.0%
Revenue	82,461.8	84,290.2	85,261.1		85,261.1	2,799.3	3.4%	1,790.5	2.1%	1,741.0	2.0%
Net Expenditures	(21,641.0)	(21,596.8)	(21,131.6)	476.1	(20,655.5)	985.5	-4.6%	(433.8)	2.1%	(421.8)	2.0%
<b>On- Street Parking</b>											
Gross Expenditures	11,396.1	11,296.8	11,107.0	393.4	11,500.4	104.3	0.9%	241.5	2.2%	234.8	2.1%
Revenue	52,936.3	52,136.0	53,174.7		53,174.7	238.4	0.5%	1,116.7	2.1%	1,085.8	2.0%
Net Expenditures	(41,540.2)	(40,839.2)	(42,067.7)	393.4	(41,674.3)	(134.1)	0.3%	(875.2)	2.1%	(851.0)	2.0%
<b>Total</b>											
Gross Expenditures	72,216.9	73,990.2	75,236.5	869.5	76,106.0	3,889.1	5.4%	1,598.2	2.1%	1,554.1	2.0%
Revenue	135,398.1	136,426.2	138,435.8	-	138,435.8	3,037.7	2.2%	2,907.2	2.1%	2,826.9	2.0%
Total Net Expenditures	(63,181.2)	(62,436.0)	(63,199.3)	869.5	(62,329.8)	851.4	-1.3%	(1,308.9)	2.1%	(1,272.8)	2.0%
Approved Positions	295.7	295.7	297.4		297.4	1.7	0.6%				

The 2014 Operating Budget for the Toronto Parking Authority of \$76.106 million gross and (\$62.320) million in net revenue is comprised of the following services:

- The **Off-Street Parking service** with a 2014 Base Budget of \$64.605 million gross reflects an increase of \$3.785 million or 6.2% over the 2013 Budget gross expenditures of \$60.821 million.
  - The base changes are mostly attributable to inflationary increases in both salary and non salary costs (\$0.618 million); an increase in depreciation cost based on capital asset and equipment additions (\$0.640 million); and higher rent costs for parking lots managed on behalf of third parties, as they are determined as a percentage of the income generated from those lots (\$1.935 million).
  - The above pressures were partially offset by savings from a line by line expenditure review (\$0.247 million), higher parking revenues (\$2.538 million) and revenues from other sources such as advertising and investment income (\$0.261 million).
  - The 2014 Operating Budget for the Off-Street Parking service provides funding for a new cell-phone parking payment technology (\$0.090 million) and enhanced security at downtown parking garages (\$0.386 million).
  - Future year incremental costs are mainly attributable to inflationary increases in salaries and benefits (\$0.422 in 2015 and \$0.410 million in 2016) and inflationary pressures for non-salary costs (\$0.935 million in 2015 and \$0.909 million in 2016) are anticipated. They will be offset by projected usage/occupancy rate based revenue increases of \$1.790 million in 2015 and \$1.741 million in 2016.

- The **On-Street Parking service** with a 2014 Base Budget for the of \$11.500 million gross reflects an increase of \$0.104 million or 0.9% over the 2013 Budget gross expenditures of \$11.396 million.
  - The base changes are attributable to inflationary increases for materials, supplies and contracted services of \$0.129 million. This pressure is fully offset by anticipated higher parking revenues of \$0.238 million.
  - The 2014 Operating Budget for the On-Street Parking service allocates funding for a new mobile payment pilot project of \$0.393 million.
  - Future year incremental costs are mainly attributable to inflationary increases in salaries and benefits (\$0.050 in 2015 and \$0.048 million in 2016) and inflationary pressures for non-salary costs (\$0.192 million in 2015 and \$0.187 million in 2016) are anticipated. These costs will be offset by revenue increases of \$1.117 million in 2015 and \$1.086 million in 2016, based on projected usage/occupancy rates.

In order to maintain the City's revenue share in 2014 at the 2013 levels, the Toronto Parking Authority will provide a one-time revenue contribution to the City in 2014 of \$0.638 million.

The 2014 Budget will result in an increase of 1.7 staff positions to the Program's approved staff complement, resulting in a change from 295.7 to 297.4, as highlighted in the table below:

**2014 Total Staff Complement**

Changes	2014 Budget	2015 Plan	2016 Plan
<b>Opening Complement</b>	295.7	297.4	297.4
In-year Adjustments			
Adjusted Staff Complement	<b>295.7</b>	<b>297.4</b>	<b>297.4</b>
<b>Change in Staff Complement</b>			
- Temporary Complement - capital project delivery			
- Operating impacts of completed capital projects			
- Service Change Adjustments	1.7		
<b>Total Recommended and Planned Complement</b>	<b>297.4</b>	<b>297.4</b>	<b>297.4</b>
<b>% Change over prior year</b>			

- Increase of 1.7 positions is related to the reinstatement (in-house) of a function that was contracted out in 2013, based on savings that will result from this change.

## 2014 Base Budget

(In \$000s)

(In \$000s)	2013 Budget	2014 Base	Change 2014 Base vs. 2013 Budget		Incremental Change			
					2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
<b>Off - Street Parking</b>								
Gross Expenditures	60,820.8	64,129.4	3,308.6	5.4%	1,356.7	2.1%	1,319.2	2.0%
Revenue	82,461.8	85,261.1	2,799.3	3.4%	1,790.5	2.1%	1,741.0	2.0%
Net Expenditures	(21,641.0)	(21,131.6)	509.4	-2.4%	(433.8)	2.1%	(421.8)	2.0%
<b>On- Street Parking</b>								
Gross Expenditures	11,396.1	11,107.0	(289.1)	-2.5%	241.5	2.2%	234.8	2.1%
Revenue	52,936.3	53,174.7	238.4	0.5%	1,116.7	2.1%	1,085.8	2.0%
Net Expenditures	(41,540.2)	(42,067.7)	(527.5)	1.3%	(875.2)	2.1%	(851.0)	2.0%
<b>Total</b>								
Gross Expenditures	72,216.9	75,236.5	3,019.6	4.2%	1,598.2	2.1%	1,554.1	2.0%
Revenue	135,398.1	138,435.8	3,037.7	2.2%	2,907.2	2.1%	2,826.9	2.0%
Net Expenditures	(63,181.2)	(63,199.3)	(18.1)	0.0%	(1,308.9)	2.1%	(1,272.8)	2.0%
Approved Positions	295.7	297.4	1.7	0.6%				

The 2014 Base Budget of \$75.236 million gross and (\$63.199) in net revenue results in \$0.018 million in greater net revenue as compared to the 2013 Budget of (\$63.181) net. It provides \$3.424 million in funding for base budget increases which have been offset by \$3.442 million service budget reductions.

Key cost drivers resulting in base budget pressures of \$3.424 million are detailed in the table below:

## Key Cost Drivers

(In \$000s)

(In \$000s)	2014 Base Budget
<b>Gross Expenditure Changes</b>	
<b>Economic Factors</b>	
Non-Labour Inflationary Factors	233.8
<b>COLA and Progression Pay</b>	
COLA and Fringe Benefits Changes	354.7
<b>Other Base Changes</b>	
Rent increases for Managed Lots	1,935.0
Provision for New Locations	200.0
Increase in Depreciation Costs	452.8
Increase in Property Taxes	88.7
Signage Upgrades, Staff Training and Other Contract Related Costs	158.8
<b>Total Expenditure Changes</b>	<b>3,423.8</b>
<b>Net Expenditures</b>	<b>3,423.8</b>

- In order to offset the above pressures, base expenditure savings of \$3.442 million were implemented based on a detailed review and realignment of operating expenses with

actual experience, resulting in savings in materials and supplies, general maintenance and other services (\$0.404 million). Additional on-street and off street parking revenues (\$2.776 million) and other revenues (\$0.262 million), for a total of \$3.038 million, were also achieved, as noted below:

**2014 Service Change Summary by Program**  
(In \$000s)

Description (\$000s)	2014 Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2014 Budget	2015		2016	
	#	\$	\$	%	Net Expense	Pos.	Net Expense	Pos.
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
<i>Realignment Based on Actuals - Uniforms</i>		(42.0)	(42.0)	-0.1%				
<i>Realignment Based on Actuals - General Maintenance</i>		(152.0)	(152.0)	-0.2%				
<i>Realignment Based on Actuals - Other Costs</i>		(210.2)	(210.2)	-0.3%				
<b>Base Expenditure Change</b>	-	(404.2)	(404.2)	-0.7%	-	-	-	-
<b>Base Revenue Changes</b>								
<i>Additional Revenue - Usage Rate/Other Occupancy Increases</i>			(3,037.6)	-5.0%	(1,308.9)		(1,272.8)	
<b>Base Revenue Change</b>	-	-	(3,037.6)	-5.0%	(1,308.9)	-	(1,272.8)	-
<b>Sub-Total Base Budget Changes</b>	-	(404.2)	(3,441.9)	-5.7%	(1,308.9)	-	(1,272.8)	-
<b>Total Changes</b>	-	(404.2)	(3,441.9)	-5.7%	(1,308.9)	-	(1,272.8)	-

The 2014 service changes consist of base expenditure and base revenue changes of \$3.442 million, bringing the 2014 Base Budget to \$0.018 million or 0.03% under the 2013 Budget of \$72.217 million.

The net incremental impact on the 2015 and 2016 Operating budget reflects additional revenues of \$1.309 million and \$1.273 million respectively.

The 2014 service changes and 2015 and 2016 incremental impacts are discussed below:

**Base Expenditure Changes: (Savings of \$0.404 million gross and net)**

- The materials and supplies budget was adjusted to reflect actual use of uniforms (\$0.042 million) and maintenance materials (\$0.152 million). Similarly, based on review of actual costs, savings in other materials, supplies, and services are also with savings of \$0.210 million.

**Base Revenue Change: (Increased revenue of \$3.038 million)**

- Additional revenues in the total amount of \$3.038 million are comprised of :

- Increase in off-street parking revenues (\$2.538 million) and on street parking revenues (\$0.238 million) parking revenues for a total of \$2.776 million, based on projected usage/occupancy levels. It should be noted that projected off street parking revenues reflect a \$0.750 million loss from Carpark 177, which was permanently closed in order to accommodate other City's development priorities.
- Increase in other revenues such as investment and advertising income of \$0.262 million are based on the 2012 actual experience.

## 2014 New / Enhanced Service Priority Actions

(In \$000s)

Description	2014			Net Incremental Impact			
	Gross Expenditures	Net Expenditures	New Positions	2015 Plan		2016 Plan	
				Net Expenditures	# Positions	Net Expenditures	# Positions
<b>Enhanced Services Priorities</b>							
Increased Security Presence in Downtown Garages	386.1	386.1					
<b>Sub-Total</b>	<b>386.1</b>	<b>386.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>New Service Priorities</b>							
(a) New Services							
Celphone/Gateway Development	483.4	483.4					
<b>Sub-Total</b>	<b>483.4</b>	<b>483.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total New / Enhanced</b>	<b>869.5</b>	<b>869.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Enhanced Service Priorities***Increased Security Presence at Downtown Garages*

The Toronto Parking Authority's facilities security program includes, but is not limited to, the use of third party uniformed and plainclothes security personnel to conduct patrols for the purposes of maintaining a security presence, to deter trespassing, and to respond to security incidents when they arise.

The 2014 Budget provides incremental funding of \$386.1 million for additional resources to respond to the increased demand for such a presence, particularly in certain downtown core facilities.

**New Service Priorities***Cellphone/Gateway Development*

The Toronto Parking Authority has identified the need to implement a mobile payment for parking system for customers making use of cell phone/smart phone/tablet based technologies to supplement the existing pay and display payment technology. The 2014 Budget includes funding of up to \$0.483 million for the cost associated with the implementation of a pilot project. The Request for Proposal (RFP) was issued and the pilot project is expected to start mid-year 2014.



**2015 and 2016 Plan  
(In \$000s)**

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Sub-Total - Known Pressures</b>	-	-	-		-	-	-	-		-
<b>Anticipated Impacts:</b>										
Inflationary Pressures - Labour	471.6		471.6	0.6%		458.6		458.6	0.6%	
Inflationary Pressures - Non-Labour	1,126.6		1,126.6	1.5%		1,095.5		1,095.5	1.4%	
Additional Revenue - Usage Rate increase		2,907.2	(2,907.2)	-3.8%			2,826.9	(2,826.9)	-3.6%	
<b>Sub-Total - Anticipated Additional Pressures</b>	1,598.2	2,907.2	(1,308.9)	-1.7%	-	1,554.1	2,826.9	(1,272.8)	-1.6%	-
<b>Total Incremental Impact</b>	1,598.2	2,907.2	(1,308.9)	-1.7%	-	1,554.1	2,826.9	(1,272.8)	-1.6%	-

The 2014 Budget for the Toronto Parking Authority will result in 2015 and 2016 incremental costs of \$1.309 million and \$1.273 million respectively to maintain the 2014 level of service.

Future year incremental costs are based on the past historical experience and determined as an overall percentage increase for various categories of expenses and revenues. Anticipated impacts are primarily attributable to the following:

#### **Anticipated Impacts**

- Incremental gross expenditures are projected to increase by \$1.127 million in 2015 and \$1.095 million in 2016 for non-labour costs based on past historical experience and determined as an overall percentage increase for various categories of expenses.
- Incremental gross expenditures are also forecasted to increase by \$0.472 million in 2015 and \$0.459 million in 2016 for anticipated increases in salary and benefits related expenses.
- These expenditure pressures will be fully offset by additional revenues of \$2.908 million in 2015 and \$2.827 million in 2016, generated from higher usage of the existing facilities and also from new and expanded parking facilities.

## V: ISSUES FOR DISCUSSION

### 2014 Issues

#### 2014 Operating Budget and City Revenue Sharing

- The Toronto Parking Authority's 2014 Operating Budget of \$76.106 million gross and (\$62.330) million in net revenue is \$0.851 million or 1.3% above the 2013 Operating Budget of (\$63.181) million in net revenue.
- The year over year net increase of \$0.851 million is attributable to funding the enhanced security presence (\$0.386 million) and new mobile payment technologies (\$0.483 million).
- As per the Income Sharing Agreement between the City and the TPA, 75% of the TPA's annual net revenue is contributed to the City and accounted for within the City's Tax Supported Budget. As a result of the year over year decrease in net revenue of \$0.851 million, the City's share would reflect a reduction of \$0.638 million (\$0.851 million X 75%) from 2013 budgeted TPA contribution.
- In order to maintain the City's revenue share in 2014 at the 2013 levels, based on 75% of net revenues, the Toronto Parking Authority will provide a one-time revenue contribution of at least \$0.638 million to the City in 2014.
- This contribution will be further refined following the year-end variance report based on the TPA's current and projected retained earnings as compared to required funding for the 2014 – 2023 Capital Budget and Plan.

# Appendix 1

## 2013 Service Performance

### 2013 Key Accomplishments

In 2013, the Toronto Parking Authority achieved the following results:

- ✓ Successfully operated the largest municipal parking supply in North America that includes 22,100 off-street and 19,000 on-street parking spaces.
- ✓ Addressed off-street parking shortfalls by opening three new surface carparks with 126 spaces.
- ✓ Completed a website/Interactive Voice Response (IVR) system development to allow auto-renewal feature for monthly permits.
- ✓ Introduced an automated work order system for reporting and tracking of maintenance activities.
- ✓ Completed upgrades of revenue control equipment to accept new \$5 and \$10 notes.
- ✓ Continued to remain 100% self-sustaining through user fees from off-street and on-street parking facilities and other sources, such as the selling of air rights, with no reliance on the municipal property tax base.

### 2013 Financial Performance

#### 2013 Budget Variance Analysis (In \$000s)

	2011 Actuals	2012 Actuals	2013 Budget	2013 Projected Actuals*	2013 Budget vs Projected Actual Variance	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures	66,955.1	73,983.4	72,216.9	73,990.2	1,773.3	2.5
Revenues	124,604.6	132,307.4	135,398.1	136,426.2	1,028.1	0.8
Net Expenditures	(57,649.5)	(58,324.0)	(63,181.2)	(62,436.0)	745.2	(1.2)
Approved Positions	301.6	295.7	295.7	295.7	-	-

\* Based on the 3rd Operating Budget Variance Report

### 2013 Experience

- The Toronto Parking Authority reported a favourable net expenditure variance of \$0.513 million or 1.1% over budget for the nine month period ended September 30, 2013.
- For year-end, the Toronto Parking Authority is projecting a net unfavourable variance of \$0.745 million or 1.2% below the 2013 Operating Budget of \$63.181 million.

- The unfavourable net variance projection is primarily due to higher rent expense projections for new, previously unbudgeted managed locations. Currently, revenues from those locations will not be sufficient to fully offset a projected unfavourable revenue trend attributed to a large number of snow events in February and March which reduced occupancy rates across all locations.

**Impact of 2013 Operating Variance on the 2014 Budget**

- The 2014 Operating Budget includes an increase in revenues of \$3.889 million which is still reflective of the lower occupancy trends experienced in 2013. It also accounts for the fact that Carpark 177 was permanently closed during 2013, resulting in a revenue loss of \$0.750 million.

## Appendix 2

### Operating Budget by Expense Category

#### Program Summary by Expenditure Category

(In \$000s)

Category of Expense	2011 Actual	2012 Actual	2013 Budget	2013 Projected Actual	2014 Budget	2014 Change from 2013 Budget		2015 Plan	2016 Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	21,017.1	21,973.4	22,103.0	22,103.0	22,457.8	354.8	1.6%	22,929.4	23,388.0
Materials and Supplies	6,396.6	6,396.6	7,059.2	7,059.2	7,425.9	366.7	5.2%	7,681.7	7,833.4
Equipment	7,415.1	7,528.2	7,377.2	7,377.2	7,377.2	-	0.0%	7,377.2	7,377.2
Services & Rents	17,169.5	18,902.2	17,150.2	18,923.7	20,318.0	3,167.8	18.5%	21,188.8	22,132.7
Contributions to Capital									
Contributions to Reserve/Res Funds									
Other Expenditures	14,956.7	19,183.0	18,527.1	18,527.1	18,527.1			18,527.1	18,527.1
Interdivisional Charges									
<b>Total Gross Expenditures</b>	<b>66,955.0</b>	<b>73,983.4</b>	<b>72,216.7</b>	<b>73,990.2</b>	<b>76,106.0</b>	<b>3,889.3</b>	<b>5.4%</b>	<b>77,704.2</b>	<b>79,258.3</b>
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	119,372.8	126,416.3	131,133.5	132,161.7	133,910.3	2,776.8	2.1%	136,722.0	139,456.4
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	5,231.7	5,891.1	4,264.5	4,264.5	4,525.5	261.0	6.1%	4,620.9	4,713.4
Required Adjustments						-			
<b>Total Revenues</b>	<b>124,604.5</b>	<b>132,307.4</b>	<b>135,398.0</b>	<b>136,426.2</b>	<b>138,435.8</b>	<b>3,037.8</b>	<b>2.2%</b>	<b>141,342.9</b>	<b>144,169.8</b>
<b>Total Net Expenditures</b>	<b>(57,649.5)</b>	<b>(58,324.0)</b>	<b>(63,181.3)</b>	<b>(62,436.0)</b>	<b>(62,329.8)</b>	<b>851.5</b>	<b>-1.3%</b>	<b>(63,638.7)</b>	<b>(64,911.5)</b>
<b>Approved Positions</b>	<b>301.6</b>	<b>295.7</b>	<b>295.7</b>		<b>297.4</b>	<b>1.7</b>	<b>0.6%</b>		

### 2014 Key Cost Drivers

- Salaries and benefits are the largest expenditure category and account for 29% of the total expenditures, followed by services and rents at 27%, materials and supplies at 10%, equipment costs at 10%, and other costs at 24%.
- Revenues consist of on-street and off-street parking revenues which constitute 97% of the total, with the remaining 3% coming from variety of sources such as advertising and rental and investment income.

#### Salaries and Benefits

- Salary and benefit costs* increased over the last three years (2011-2013) by 6%, due to the labour related inflationary pressures, as there was no increase in a number of positions over that period.
- The 2014 budget for *salaries and benefits* is \$22.458 million, reflecting a further increase of \$0.355 million or 2% compared to the 2013 budget of \$21.103 million.
- In 2014, the Toronto Parking Authority will increase its staff complement by 1.7 positions, in order to re-instate in-house activities for some functions.

**Materials and Supplies**

- The *materials and supplies* cost category which mainly consists of utilities, uniforms for maintenance staff, cashiers, supervisors and enforcers, credit card and coin processing costs, equipment maintenance and supplies, increased by 1% over the same three year period. The 2014 budget for *materials and supplies* is \$7.426 million and it is \$0.367 million or 5% higher than the 2013 budget, mostly due to anticipated inflationary increases.

**Equipment**

- From 2011 to 2013, *equipment costs* decreased by 15%, mainly due to completion of various equipment upgrades in 2012, as well as change to the depreciable asset base that resulted in lower depreciation costs for 2012 and 2013. No further increases are projected for 2014.

**Services and Rents**

- Costs of various professional *services and rents* increased by 18% over the 2011-2013 period. The 2014 budget of \$20.318 million is \$3.168 million or 18% higher than the 2013 budget mostly due to general inflationary pressures and higher rent costs for managed lots which are determined as a percentage of the income generated from those lots.

**Other Costs**

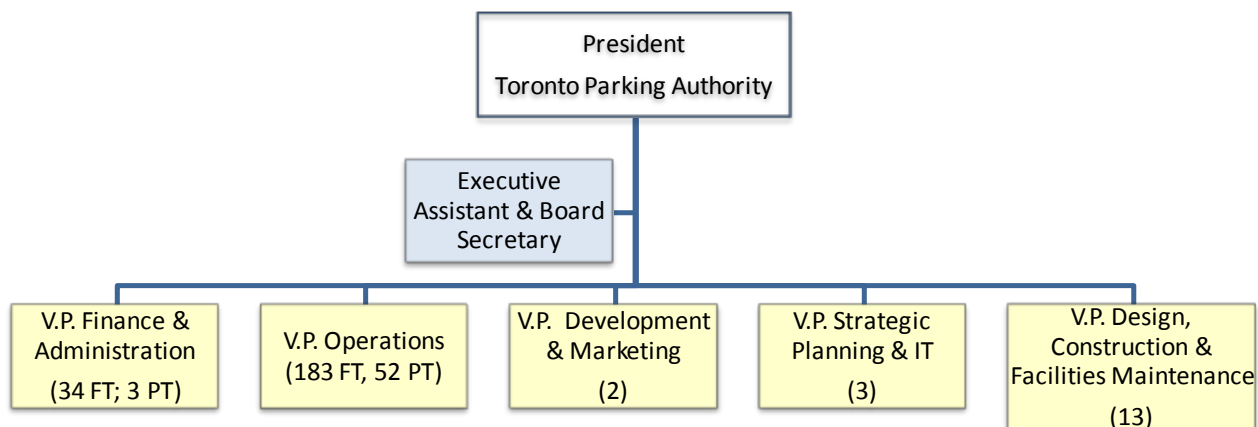
- Over the last 3 year period there was an increase of 1% in *other costs*. The most significant cost in this category is property tax.

**Revenues**

- The Toronto Parking Authority's 2014 Operating Budget includes a net revenue increase of (\$3.038 million) anticipated to be achieved through general increase in usage rates estimated at 2%.

## Appendix 2 - Continued

### 2014 Organization Chart



### 2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	7.0	8.0	61.0	166.0	242.0
Part-Time			3.0	52.4	55.4
Total	7.0	8.0	64.0	218.4	297.4



## **Appendix 4**

### **Summary of 2014 New / Enhanced Service Changes**



**2014 Operating Budget - Council Approved New and Enhanced Services**  
**Summary by Service**  
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2753	Cellphone/Gateway Development							
74	1	Description:						
The Toronto Parking Authority has identified the need to implement a mobile payment for parking system for customers making use of cell phone/smart phone/tablet based technologies to supplement the existing pay and display payment technology. The 2014 Operating Budget includes funding of up to \$0.483 million for the cost associated with the implementation of a pilot project. The Request for Proposal (RFP) was issued and the pilot project is expected to start mid-year 2014.								
Service Level Impact:								
This is a new service.								
Service: Off-Street Parking								
Staff Recommended:		90.0	0.0	90.0	0.0	(90.0)	0.0	
BC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
EC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
CC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
Total Council Approved:		90.0	0.0	90.0	0.0	(90.0)	0.0	
Service: On-Street Parking								
Staff Recommended:		393.4	0.0	393.4	0.0	(393.4)	0.0	
BC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
EC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
CC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
Total Council Approved:		393.4	0.0	393.4	0.0	(393.4)	0.0	
Staff Recommended:		483.4	0.0	483.4	0.0	(483.4)	0.0	

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion  
74 - New Services  
75 - New Revenues



**2014 Operating Budget - Council Approved New and Enhanced Services**  
**Summary by Service**  
**(\$000s)**

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			483.4	0.0	483.4	0.0	(483.4)	0.0

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion  
74 - New Services  
75 - New Revenues



**2014 Operating Budget - Council Approved New and Enhanced Services**  
**Summary by Service**  
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2785		Increased Security Presence at Downtown Garages						
72	1	Description:						
The Toronto Parking Authority's facilities security program includes, but is not limited to, the use of third party uniformed and plainclothes security personnel to conduct patrols for the purposes of maintaining a security presence, to deter trespassing, and to respond to security incidents when they arise. The 2014 Operating Budget provides incremental funding of \$386.1 million for additional resources to respond to the increased demand for such a presence, particularly in certain downtown core facilities.								
Service Level Impact:								
Increased security will be provided at certain downtown locations.								
Service: Off-Street Parking								
Staff Recommended:		386.1	0.0	386.1	0.0	0.0	0.0	
BC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
EC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
CC Recommended Change:		0.0	0.0	0.0	0.0	0.0	0.0	
Total Council Approved:		386.1	0.0	386.1	0.0	0.0	0.0	
Staff Recommended:		386.1	0.0	386.1	0.0	0.0	0.0	
Budget Committee Recommended:		0.0	0.0	0.0	0.0	0.0	0.0	
Executive Committee Recommended:		0.0	0.0	0.0	0.0	0.0	0.0	
City Council Approved:		0.0	0.0	0.0	0.0	0.0	0.0	
Council Approved New/Enhanced Services:		386.1	0.0	386.1	0.0	0.0	0.0	

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion  
74 - New Services  
75 - New Revenues



**2014 Operating Budget - Council Approved New and Enhanced Services**  
**Summary by Service**  
**(\$000s)**

Form ID		Agencies - Cluster Program: Toronto Parking Authority	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

**Summary:**

Staff Recommended:	869.5	0.0	869.5	0.0	(483.4)	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:	869.5	0.0	869.5	0.0	(483.4)	0.0

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion  
74 - New Services  
75 - New Revenues

## Appendix 5

### Inflows/Outflows to/from Reserves & Reserve Funds

#### Program Specific Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013	Proposed Withdrawals (-) / Contributions (+)		
			2014	2015	2016
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		<b>3,185.0</b>	<b>3,408.0</b>	<b>3,631.0</b>	<b>3,833.0</b>
Toronto Parking Authority Capital Expenditure Reserve Fund	XR6002				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>		223.0	223.0	202.0	203.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>3,408.0</b>	<b>3,631.0</b>	<b>3,833.0</b>	<b>4,036.0</b>
<b>Balance at Year-End</b>		<b>3,408.0</b>	<b>3,631.0</b>	<b>3,833.0</b>	<b>4,036.0</b>