



2020 Operating and Capital Budget

# Winnipeg Parking Authority



November 18, 2019

# Agenda

1. Strategic Objectives and Priorities
2. Performance Measurement
3. Operating Budget (including options to achieve target)
  - Operating Budget (Special Operating Agency or Service Based Basis)
  - Year over Year Variance Explanations
  - Implications of the Recommended Target to Balance the Operating Budget
  - Salaries and benefits, FTEs, and vacancy management and options to achieve target
4. Capital Budget
  - Capital Budget
  - Implications of the Recommended Target for the Capital Budget (not applicable)
  - Capital Forecast to Submission Reconciliation
5. Budget Summary
6. Questions

# Strategic Objectives and Priorities

## Strategic Objectives

The Winnipeg Parking Authority's (WPA) strategic direction, as set out by the Operating Charter and Business Plan places emphasis on management for results, bottom-line accountability, cost-savings, customer satisfaction, and full disclosure.

Key goals include:

- Manage service delivery structure for all on-street and off-street parking in order to manage occupancy levels as appropriate;
- Ensure the transparency of the screening and adjudication process under the Municipal By-law Enforcement Act;
- Manage the regulatory oversight of the Vehicles for Hire industry to ensure safety and accessibility for all citizens;
- Maintain engagement with key stakeholder groups; and
- Optimize the use of agency resources in order to balance cost efficiencies and high levels of customer service.

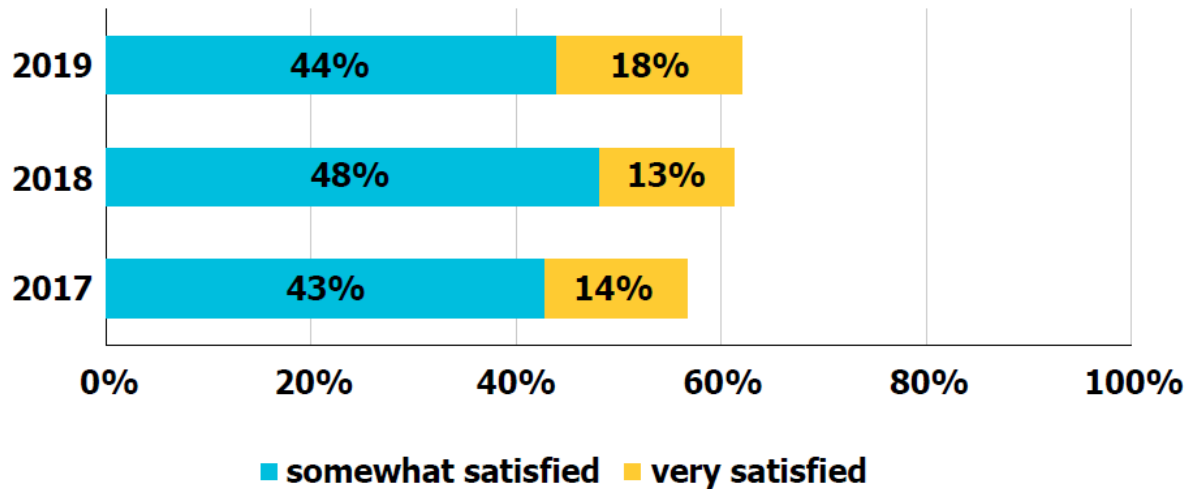
## Key Priorities (2020-2023)

- Continue to market mobile payment technology for paid parking to increase its usage and reduce longer term capital replacement costs of paystations;
- Expand the use of technologies that offer operational efficiencies such as the Automated License Plate Recognition and Intuitive Routing systems;
- Continue to provide Screening, Adjudication, and ancillary support to all City Departments and Special Operating Agencies issuing penalty notices under the *Municipal By-Law Enforcement Act*;
- Continue to provide oversight on Vehicles For Hire, collaborate with stakeholders and investigate innovative ways to improve overall service; and
- Procure consultant services to obtain a condition assessment of the Millennium Library parkade and develop a longer term capital maintenance plan to pro-actively plan future maintenance activities that will optimize the life of the asset.

# Performance Measurement

## Effectiveness Measurements

### Citizen Satisfaction with the Availability and Convenience of On-Street Parking



	2015	2016	2017	2018	2019
Total Satisfied	63%	61%	57%	61%	62%

Source: City of Winnipeg Annual Citizen Survey

# Municipal By-law Enforcement Act (MBEA)

## MBEA Penalty Notices and Appeals 2018

Bylaw Offence	Penalty Notices Issued	% of Total MBEA Penalty Notices Issued	Screenings Conducted
Parking	144,791	97.6%	11,534
Vehicle For Hire *	231	0.2%	75
Other	3,264	2.2%	395
<b>Total</b>	<b>148,286</b>	<b>100%</b>	<b>12,004</b>

\*VFH offences came into effect March of 2018.

# Recommended Target to Balance the Budget

1. Special Operating Agency Operating Budget – 0% annual budget growth rates, net of capital expenditures, based on 2019 expenditures. Annual targets reductions are as follows:

2020 - \$348,000

2021 - \$538,000

2022 - \$697,000

2023 - \$872,000

2. Cash to capital funding levels: (not application as Winnipeg Parking Authority capital is funded through accumulated surplus)

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

- a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
- b. Fees and Charges: Inflationary increases annually
- c. Natural Assessment Base Growth: 1.2% annually
- d. Efficiencies/Vacancy Management: \$17 Million annually
- e. Additional Transfers/Savings: \$32.5 million in 2020 growing to \$40 million by 2023
- f. Provincial Operating Grants: Flat at \$149.7 million annually (2016 level)
- g. Utility dividend rate: 11% of Water and Sewer Sales
- h. Remaining Tax Supported Debt Room: \$150 million in total

# Operating Budget – Winnipeg Parking Authority

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2018 Actual	2019 Budget	2020 Draft Budget *	Year over Year Increase / (Decrease)	%	2021 Draft Projection *	2022 Draft Projection *	2023 Draft Projection *
GOVERNMENT GRANTS	(0.058)	(0.055)	(0.058)	(0.003)		(0.058)	(0.058)	(0.058)
SERVICE AND OTHER	(23.002)	(26.074)	(23.767)	2.307		(23.884)	(23.981)	(24.098)
<b>TOTAL REVENUE</b>	<b>(23.060)</b>	<b>(26.129)</b>	<b>(23.825)</b>	<b>2.305</b>	<b>-9%</b>	<b>(23.942)</b>	<b>(24.039)</b>	<b>(24.156)</b>
SALARIES & BENEFITS	3.809	4.774	4.975	0.201		5.117	5.260	5.406
SERVICES	6.774	7.559	7.535	(0.024)		7.473	7.418	7.312
MATS PARTS & SUPPLIES	0.854	1.536	1.432	(0.104)		1.617	1.680	1.610
ASSETS & PURCHASES	0.084	0.108	0.100	(0.008)		0.073	0.073	0.110
GRANTS, TRANSFERS & OTHER	1.264	1.590	1.652	0.061		1.415	1.272	1.276
RECOVERIES	(0.036)	(0.003)	(0.003)	-		(0.003)	(0.003)	(0.003)
DEBT & FINANCE CHARGES	2.735	2.335	2.208	(0.127)		2.209	2.199	2.190
<b>TOTAL EXPENDITURES (before transfers)</b>	<b>15.484</b>	<b>17.900</b>	<b>17.900</b>	<b>0.000</b>	<b>0%</b>	<b>17.900</b>	<b>17.900</b>	<b>17.900</b>
<b>NET INCOME</b>	<b>7.575</b>	<b>8.229</b>	<b>5.925</b>	<b>(2.305)</b>	<b>-28%</b>	<b>6.042</b>	<b>6.139</b>	<b>6.256</b>
Dividend Transfer to General Revenue Fund	4.921	9.912	11.061	1.149		6.014	6.110	6.229
Transfer to Land Operating Reserve	5.595	6.035	-	(6.035)		-	-	-
<b>TOTAL TRANSFERS</b>	<b>10.516</b>	<b>15.947</b>	<b>11.061</b>	<b>(4.886)</b>	<b>-31%</b>	<b>6.014</b>	<b>6.110</b>	<b>6.229</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(2.940)</b>	<b>(7.718)</b>	<b>(5.136)</b>	<b>2.581</b>	<b>-33%</b>	<b>0.027</b>	<b>0.028</b>	<b>0.026</b>

\* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

# Operating Budget (Special Operating Agency or Service Based Basis)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2020 Draft Budget *	2021 Draft Projection *	2022 Draft Projection *	2023 Draft Projection *
<b>Options to Achieve Operating Budget Target:</b>				
a. Sick leave severance and acting pay reductions	-	(0.009)	(0.029)	(0.028)
b. Reduction in surface parking lot improvements	-	(0.210)	-	-
c. Training reductions	-	-	-	(0.020)
d. Advertising reductions	(0.003)	(0.024)	(0.033)	(0.033)
e. Elimination of paystation reprogramming	(0.176)	-	-	-
f. Elimination of paystation wayfinding signage	-	-	(0.062)	-
g. General software and hardware reductions	(0.169)	(0.047)	(0.062)	(0.055)
h. Reduction in grant in-kind complimentary parking	-	(0.145)	(0.290)	(0.290)
i. Reduction of cash grants	-	(0.104)	(0.104)	(0.104)
j. Enforcement scheduling efficiencies	-	-	(0.100)	(0.325)
k. Enforcement - Fleet reductions (linked to item j)	-	-	(0.018)	(0.018)
<b>Total Options to Achieve the Target</b>	<b>(0.348)</b>	<b>(0.538)</b>	<b>(0.697)</b>	<b>(0.872)</b>
<b>EPC Recommended Target to Balance</b>	<b>(0.348)</b>	<b>(0.538)</b>	<b>(0.697)</b>	<b>(0.872)</b>
<b>Variance (Shortfall from the Target)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.



# Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) <i>Revenue change due to the following:</i>				
- Net adjustment of enforcement revenue to historical levels	\$ (1.421)	\$ -	\$ -	\$ -
- Net adjustment in parking revenues to historical levels	(1.175)	-	-	-
- Miscellaneous adjustments.	0.292	0.117	0.970	0.118
<b>Net Revenue Change</b>	<b>\$ (2.304)</b>	<b>\$ 0.117</b>	<b>\$ 0.970</b>	<b>\$ 0.118</b>
2) <i>Expenditure change due to the following:</i>				
- Decrease in transfer to land operating reserve	\$ (4.405)	\$ -	\$ -	\$ -
- Decrease due to one-time transfer to the land operating reserve in 2019 related to the Civic Parkade	(1.634)	-	-	-
- Increase in dividend transfer to general revenue fund	\$ 1.108	\$ (5.047)	\$ 0.096	\$ 0.119
- Increase in salary and benefits	\$ 0.201	\$ 0.142	\$ 0.143	\$ 0.143
- Miscellaneous adjustments.	(0.155)	(0.143)	(0.143)	(0.143)
<b>Net Expenditure Change</b>	<b>\$ (4.885)</b>	<b>\$ (5.048)</b>	<b>\$ 0.096</b>	<b>\$ 0.119</b>

# Implications of the Recommended Target to Balance Operating Budget

- |   |
|---|
| a. Sick leave severance and acting pay reductions - No impact.  |
| b. Reduction in surface parking lot improvements - Inability to respond to the consultant's report planned for 2020 that will assess the condition of the 120 employee lots and ten publicly-accessible lots. |
| c. Training reductions - Potential impact on staff retention and service delivery.  |
| d. Advertising reductions - Limited ability to conduct public engagement and public communication campaigns.  |
| e. Elimination of paystation reprogramming - No ability to reprogram paystations.   |
| f. Elimination of paystation wayfinding signage - Public complaints may increase due to confusion of where to pay for parking at a physical paystation.   |
| g. General software and hardware reductions - Reduced ability to innovate.  |

# Implications of the Recommended Target to Balance Operating Budget

h. Reductions to grant in-kind complimentary parking - Parking permits and complimentary use of paid parking primarily granted to non-profit organizations will no longer be provided. Phased in with a 50% reduction to grant in-kind for the 2021 year and 100% reduction to grant in-kind in years 2022 forward.

i. Reduction of cash grants - This will reduce snow clearing for paystation access, as well as reduced cleaning of the physical paystation. There will be a 50% reduction to grants in 2021 and future years.

j. Enforcement scheduling efficiencies - While 24 hour coverage will remain in place, there is a potential for reduced response times to address citizen complaints.

k. Enforcement fleet reduction - Removal of one enforcement vehicle is conditional on approval of item 'j' above.

# Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

## 2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
<b>Full Time Equivalents</b> <i>(number of FTEs)</i>	61.41	62.41	1.00	62.41	62.41	62.41
<b>Salaries &amp; Benefits</b> <i>(in millions of \$)</i>	\$ 4.774	\$ 4.975	\$ 0.201	\$ 5.125	\$ 5.289	\$ 5.433
<b>Vacancy Management included in Salaries &amp; Benefits</b> <i>(in millions of \$)</i>	\$ (0.063)	\$ (0.063)	\$ -	\$ (0.064)	\$ (0.065)	\$ (0.067)

\* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating budget target

# Capital Budget

## WINNIPEG PARKING AUTHORITY - GENERAL CAPITAL FUND

### Capital Investment Plan - Authorization

(\$000's)

	2019 Adopted	2020 Draft Budget*	Authorization					6-Year Total
			Draft Forecast*					
			2021	2022	2023	2024	2025	
<b>List of Capital Projects:</b>								
1 Automated License Plate Recognition (ALPR)	121	178	126	172	137	238	149	1,000
2 Parking Access & Revenue Control System/ Millennium Library Parkade	-	373	-	-	-	-	-	373
<b>TOTAL CAPITAL PROJECTS</b>	<b>121</b>	<b>551</b>	126	172	137	238	149	<b>1,373</b>
<b>Options to Achieve the Target</b>		2020	2021	2022	2023	2024	2025	6-Yr Total
a. Not Applicable								-
<b>Total Options to Achieve the Target *</b>		-	-	-	-	-	-	-
EPC Recommended Target to Balance		-	-	-	-	-	-	-
<b>Variance (Shortfall from Target)</b>		-	-	-	-	-	-	-

\* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

# Capital Forecast to Draft Budget Reconciliation

<b><i>CAPITAL PROJECTS SUMMARY</i></b>	<b>ADOPTED</b>	<b>ADOPTED IN PRINCIPLE</b>		
<i>(in Thousands of \$)</i>	<b>BUDGET</b>	<b>FORECAST</b>	<b>CHANGES</b>	<b>DRAFT BUDGET</b>
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
<b><u>WINNIPEG PARKING AUTHORITY</u></b>				
Automated License Plate Recognition (ALPR) Program	121	178		178
Parking Access & Revenue Control System/Millennium Library Parkade			373	373
<b>TOTAL WINNIPEG PARKING AUTHORITY</b>	121	178	373	551

# Capital Forecast to Draft Budget Reconciliation

<b>CAPITAL PROJECTS SUMMARY</b>	<b>ADOPTED IN PRINCIPLE FORECAST</b>		<b>DRAFT FORECAST</b>	<b>ADOPTED IN PRINCIPLE FORECAST</b>		<b>DRAFT FORECAST</b>
<i>(in Thousands of \$)</i>		<b>CHANGES</b>			<b>CHANGES</b>	
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
<b><u>WINNIPEG PARKING AUTHORITY</u></b>						
Automated License Plate Recognition (ALPR) Program	<b>126</b>		<b>126</b>	<b>172</b>		<b>172</b>
Parking Access & Revenue Control System/Millennium Library Parkade						
<b>TOTAL WINNIPEG PARKING AUTHORITY</b>	<b>126</b>		<b>126</b>	<b>172</b>		<b>172</b>

# Capital Forecast to Draft Budget Reconciliation

<i>CAPITAL PROJECTS SUMMARY</i>	ADOPTED IN PRINCIPLE		DRAFT FORECAST	ADOPTED IN PRINCIPLE		DRAFT FORECAST	DRAFT FORECAST	6 YEAR TOTAL
<i>(in Thousands of \$)</i>	FORECAST	CHANGES	FORECAST	FORECAST	CHANGES	FORECAST	FORECAST	TOTAL
	2023	2023	2023	2024	2024	2024	2025	2020-2025
<b>WINNIPEG PARKING AUTHORITY</b>								
Automated License Plate Recognition (ALPR) Program	137		137	238		238	149	1,000
Parking Access & Revenue Control System/Millennium Library Parkade								373
<b>TOTAL WINNIPEG PARKING AUTHORITY</b>	<b>137</b>		<b>137</b>	<b>238</b>		<b>238</b>	<b>149</b>	<b>1,373</b>



# Operating Budget Summary

Recommended target – 4 year budget – **0% annual growth rate**

(in millions of \$)

	2019 Approved Budget	2020 Projection (from 2019)	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
<b>Expenditure Budget*</b>	17.900	18.361	<b>17.900</b>	<b>17.900</b>	<b>17.900</b>	<b>17.900</b>
<b>EPC Recommended Expenditure Target</b>			<b>17.900</b>	<b>17.900</b>	<b>17.900</b>	<b>17.900</b>
<b>Variance (Shortfall from Target)</b>			-	-	-	-

\* Note: Draft budget and projections include the options to achieve the EPC recommended targets to balance.

# Questions?